THE FINANCIAL POST

The Canadian Newspaper for Investors

VOL. XIII. SINGLE COPIES, 10 CENTS | PUBLICATION OFFICE: TORONTO, FEBRUARY 1, 1919 | ANNUAL SUBSCRIPTION $3.00. No. 5

SIR THOMAS WHITE SHOULD AT ONCE CALL VARIOUS INTERESTS TO DISCUSS THE TARIFF ISSUES

Controversy So Far-reaching and So Much is Involved That the Problem Must Be Faced Immediately

THE POSITION OF THE MANUFACTURERS

Would Have Been Better to Have Made a Straight Argument of Their Case Rather Than Speak of Interests of the People Only—Where Does the Toronto "Globe" Stand?

DEVELOPMENTS in the tariff controversy are broadening the scope of interest and adding emphasis to the importance of immediate action at Ottawa. The demand that something be done is backed by an increasing volume of public opinion. The idea of the Government that the issue might be evaded during the coming session, that sleeping political canines might be left in repose during the reconstruction period, is proving untenable. The interests of the manufacturer, of the worker and of the farmer demand that the whole national fiscal policy in regard to revenue and protection be considered in relation to the problems to be solved and that the tariff be revised on a scientific basis.

The statement from the Canadian Manufacturers' Association as to the position of that body was a timely contribution to the controversy in which so much has been said from the standpoint of the high and low tariff political factions. The argument that the tariff should not be changed during the present unsettled period is one which finds strong support not only in the uncertainty prevailing but in the Government needs for revenue. On the other hand, the demand of the farmers for a reduction cannot be ignored. We believe that continued discussion of the subject and a further exchange of views would smooth the way to bringing the opposing interests together. There is nothing in the situation which cannot be worked out by big men showing a breadth of view indicated in such contributions as those of E. C. Drury, S. R. Parsons and R. Mackenzie, especially if the newspapers would display an understanding of important economic fundamentals such as shown by the Toronto *Star* instead of following in the old channels of rabid partisanship in which the Toronto *Globe* seems to be irrevocably fixed.

Manufacturers Should Talk Straight Out

While the stand of the manufacturers is one in which they are fully justified, it is, however, questionable if they have taken the best method of expressing that justification. There is an evident effort to convince the public that the maintenance of the tariff is in the interests of the public only. Why should they not argue straight from their shoulder that it is in their own interest—which everyone, of course, understands—and that their interests are also the interests of the public? If the tariff cannot be justified from this standpoint it cannot be justified from any standpoint.

The manufacturers should emphasize the important part they are playing in national development and national prosperity. They are building up business and industrial centres which provide employment for labor and markets for farm products, they are paying heavy taxes towards the expenses of the country, they are so treating raw materials that they reach the consumer in a state which means the highest margin of profit to Canada. If the protection which permits them to do this is not justified in actual benefits to the whole people, then it is time for a change. But for forty years the people have shown by their votes, and Government leaders of both sides of politics have been convinced, that a protective policy is desirable.

Finance Minister Should Act

What is more, the policy of protection has been responsible for the investment in industry of millions of the savings of the people. To-day there are millions more available and American and British capital is also showing a willingness to come in. But industrial progress is held up by the conflicting interests and the present agitation. THE FINANCIAL POST believes that it is the duty of Sir Thomas White, as Minister of Finance, to call together the various interests to discuss the whole matter, the outcome of which, we are convinced, would be the appointment of the commission of experts to represent industry, agriculture and labor, which we have so long advocated.

Such a commission as THE POST favors could not only deal scientifically with tariff issues but it should also be empowered to investigate combines for the undue restriction of competition or the raising of profits. It is against such combines that we believe the real agitation of the farmers is at present directed rather than against protection or against those large business organizations which develop efficiency to the benefit of the consumer. Big business generally is suffering for the misdemeanors of a few narrow profit-grabbers who should be exposed by the Government for the benefit of all interests.

Where Does the "Globe" Stand?

By taking up one subsidiary point regarding the use of bluebooks, to advance a fallacious argument about woollen importations under peace and war conditions without considering the physical conditions in the industry in relation to export trade, the Toronto *Globe* endeavored to reply to last week's very complete statement by THE FINANCIAL POST on the practical business phases of the tariff situation. However, so far as any point in the ponderous discussion of our contemporary is concerned we find emphasis attached to the fact that the war surtax last year amounted to over $40,000,000. The importance of this amount was the very point made by the Government and emphasized by THE POST in the article which started the discussion.

Now that the *Globe* has argued around the circle back to the starting point, let us point out that the original issue was that a reduction of tariff would mean smaller revenue at a time when the Government needed increased funds. The discussion on woollens was a side issue which arose in calling attention to the fact that the manufacturer paid a big share of the tariff and that the Laurier Government had not been able to reduce the duty without endangering the textile industry. THE FINANCIAL POST asked how revenue could be made up if the tariff were reduced. The *Globe* offered three suggestions. THE POST dealt with these suggestions so effectively, evidently, that the *Globe* has evaded the main issue to smother its readers with ponderous and involved arguments based upon statistics which in many instances are not sound because of the abnormal conditions prevailing.

THE FINANCIAL POST has already asked the *Globe* if it stands for tariff revision as attempted by Laurier.

THE FINANCIAL POST now asks the *Globe* where it does stand. It argues for free trade—does it want free trade? What does it want?

A publication which has been so important a factor in public matters should have a definite policy. There was a time when it was not difficult to know where the *Globe* stood on big issues.

TO HEAT STATION

Railway Commission Over-rules the Decision of Toronto

The small and narrow attitude of the Toronto civic authorities in refusing to allow the Toronto Terminal Company permission to lay mains to carry steam from the plant of the Toronto Electric Light Company under city streets for the purpose of heating the new Union Station has been over-ruled by the Railway Commission, which has granted a permit. It is not surprising, however, that the Toronto Board of Control is talking of an appeal. If there is any means of baiting corporations by the aid of the higher courts then Toronto seems to be anxious to discover it; most every other means has been tried to the limit.

BUSINESS AND LABOR OUTLOOK IN CANADA

The Picture Seems to Be a Pathetic One

A SPIRIT OF SERVICE

Capital and Labor Must Have Adequate Sense of Common Responsibility—Big Business Man Discusses Problem

One of our keenest financiers and most public-spirited men, a man whose business vision is highly respected by industrial and financial leaders right across the continent, and also in Europe, writes in reply to a request for his views, the following very valuable article on Canadian conditions and outlook:

I am afraid I am too inexperienced and insufficiently informed concerning labor to render much service other than that as a follower. I do not know that the work of the Canadians during the past four years has been anything other than an illustration of the willingness of men in a time of national peril to devote their services unreservedly to the State. Millions of men have done this by joining the fighting forces of the Empire. Your letter, however, leads me to make a few observations covering conditions in Canada.

The impression is commonly held that labor is to be more consistently employed than before the war; that the men and women who want work will find employment; that the hours during which they will work will be lessened, and that the remuneration which they will receive will be increased. It is believed that work people suffered under injustice which will in part, at least, be removed because of the war, and that private capital which secured too large a share of profits and bore too small a share of the burden, will now be required to do justice by sharing with others the profits which they have earned and by bearing the burden of taxation to maintain the State. It would appear that it is thought workpeople should be largely exempt from the responsibilty of supporting the State through taxation and that capital should bear the burden.

Farmers in Western Canada claim we should free the country from the burden of tariffs and permit free movement of products without the impediment and class privilege occasioned through high customs duties.

Throughout, however, I miss a serious note indicating a desire to contribute; all seem intent in securing benefits, with the apparent impression that if Governments, or commissions, or employers do what they ought to do, the alleged injustice will be removed and there will be deliverance from drudgery of insufficiently paid labor and that the great mass of the community will come into their own. "Their own" seems to be as short hours as possible for labor, a liberal wage, freedom from responsibility for taxation, with a right to enjoy reasonable leisure with freedom from care.

Having regard to its setting, the picture seem to me to be a pathetic one. It is true that there are many wrongs to be remedied. Labor has been inadequately paid, and the hours have been too long. Commonly speaking, the benefits accruing from industry have been unfairly divided. Men are agreed that out of the war. forces will be set in motion which will lead to marked improvements in these con-

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BRITISH TARIFF AS A BOON TO CANADIAN TRADE

American and English Business Connection Through Canada

PREFERENTIAL IDEA

If Advantages Are Offered Colonial Exporters, Then U.S. Manufacturers Would Seek to Share in It

By Resident Representative

OTTAWA—A situation of great interest to Canada and Canadian business men is developing in Great Britain in connection with the tariff. There is good reason to believe that a measure of protection will be adopted there. Lloyd George has intimated that protection with preference for the British Empire will be the policy of Great Britain in the near future. In some lines this has already been adopted partially. Her enormous factory equipment for war work is to be turned to peace production as far and as rapidly as possible. They have found out over there that they can compete with the world in quantity production; the American principle of standardization has been adopted in all large industries; up-to-date machines and methods have been tried and found good. Great Britain has no intention of relinquishing her place in world trade; but on the contrary proposes to regain her former position of leadership in it.

There are certain great industries in which supremacy had been lost to Germany or the United States; as, for example, the dye industry and the making of electrical machinery. Some of the great ordnance plants are being turned to the manufacture of electrical equipment and supplies, to fight the German electrical machinery trust—the "A.E.G." Protection against German or other dumping will certainly be adopted.

There is now a duty of 33 1-3 per cent. on automobiles which is likely to be maintained for the protection of the British manufacturer. To encourage the dye industry, no dyes from outside the Empire are to be admitted to Great Britain without a special license. In electrical goods, the importation of such goods from enemy countries is forbidden for three years after the war, and import duties sufficiently high to protect the industry are to be imposed. The sentiment in Great Britain is for a tariff with preferences for every class of goods which can be produced within the British Empire.

Significance to Canada

The manufacturers of the United States are following this policy closely and here comes the phase of the situation most interesting to Canada. A number of American manufacturers with branches in Canada, or contemplating the establishing of such, have been in Ottawa since the war ended. They seem unanimously of the opi nion that if Great Britain adopts a protective tariff with preference for the Empire, all the American export business for the Empire will sooner or later be done through Canadian branch houses. Three or four representatives from the head offices of big American concerns who were here recently go so far as to say that they would consider handing over practically all their export business to be conducted from Canada. Since the bulk of it would be with countries within the Empire and enjoying the preferential treatment from Great Britain, they would prefer to have the whole of it handled from one centre.

This opens up prospects of a trade conducted from Canada so vast that Lloyd George's policy in regard to the tariff will be watched with the keenest interest in Canada.

T. M. F.

The Guarantee Company of North America has declared a bonus of 10 per cent. out of accumulated profits, 5% payable April 15 to shareholders of record March 31, and 5% on Oct. 15 to shareholders of record Sept. 30. In the past the company has been paying 10% a year with a bonus of 2%. The stock that will benefit amounts to $304,600. The last statement showed a shareholders' surplus of $1,613,372.

THE PRICE OF PAPER

Manufacturers Do Not Expect Cut in Price

By Resident Representative

MONTREAL.—The pulp and paper men in session here feel confident that there will be little change in the price as fixed by Controller Pringle, namely, $69 a ton. Estimates run from a decrease of two dollars to one or two dollars above the Pringle price. Even a slight decrease would be accepted as confirming the stand mills took, as this would mean the acceptance of their basis of figuring costs. Even if the result should be a slight reduction finally under the new tribunal, there would appear to be an advantage for shareholders over the present unsettled condition, subject to Government interference in the price at any time.

MANUFACTURERS NOW RECEIVING FOREIGN ORDERS

Steel For Belgium and Woollen Products For Roumania

M. WORKMAN'S VIEWS

President of Dominion Steel Speaks With Optimism With Regards to the Outlook For the Future

On the very day Mark Workman, president of the Dominion Steel Corporation, left for Europe, THE FINANCIAL POST understands that he received what was practically a blanket order for steel rails. Two days before a cable from Belgium contained a very large order. Just before that, one came from South Africa. All had to be turned down because the rail mill is working to capacity on Canadian orders.

It is learned on good authority that an additional order for 125,000 tons of steel rails has been received by the Dominion Steel Corporation for Government purposes, enough to keep the plant operating to capacity until the end of the present year, and by that time the plate mill will be busy. The company has already completed the old order for the Government for some 100,000 tons.

Mr. Workman now feels very optimistic about the prospects before the steel companies in Canada. "Before many months I am confident they will have all they can handle," he told THE FINANCIAL POST'S Montreal representative on Thursday.

The visit of Mr. Workman is not designed, as has been surmised, to secure more orders for steel production, but to endeavor to obtain the release of all the company's fleet that has been in the commission of the allies. There are bright prospects of this being done, which would give a great impetus to the company's production of coal.

Big Order for Woolens

The information reaches the "Dry Goods Review" that through a representative of the Knit Goods Association on the ground in Europe, orders for woolen products to the extent of $3,040,000 have been secured from the Roumanian Government. While particulars and details as to the orders have not yet been received, it is learned that underwear, hosiery, blankets, and cloth will be included, in fact a general assortment of Canadian woolen products, excepting sweaters, but largely of the coarser and heavier grades.

BRITISH COLUMBIA EXPORTS

Growing Importance of Shipments to theh United States

By Special Representative

VANCOUVER.—British Columbia's growing importance as an exporting province is shown in a marked way in the volume of merchandise shipped to the United States during the past year. The total for the past calendar year was $54,493,156, which is an increase of $3,809,990 in business done over the previous twelve month period. In metals there was a decided falling off as shown by the following table:

	1917	1918
Metals	$ 3,579,266	$ 637,765
Gold bullion	3,202,181	88,986
Ore	15,333,177	15,172,461
Blister copper	1,259,852	261,620
Copper ore	163,077	155,819
Zinc	31,086	20,727
Lead ore	1,437,144	579,711

HOLT CHALLENGES BECK STATEMENT ON $10,000 FORFEIT

The President of Montreal Power Puts the Issue Up to Sir Adam

EXPERTS TO JUDGE

Investigation to be Conducted by a Board of Electrical Engineers and Recognized Chartered Accountants

By Resident Representative

MONTREAL.—Sir Adam Beck has a chance to make good his claims at Hamilton that Hydro rates are lower than Montreal or lose $10,000. Sir Herbert Holt to-day, after declaring that Beck's statements were decidedly misleading, and that average rates for light and service in Montreal was less than that charged by Toronto Hydro based on the last published report of both undertakings, offered to settle the controversy by putting up his personal certified cheque for $10,000 provided Sir Adam did the same. The question should be submitted to a board of electrical engineers to be appointed by Engineering Institute of Canada to investigate in conjunction with a firm of International Accountants. If his statements were not sustained he would offer the amount to hospitals as designated, provided Sir Adam did the same.

"If he refuses to do so, the public will be able to judge for themselves of Sir Adam's veracity," Sir Herbert declared. Sir Herbert said he would not include wholesale power exported by his company to the United States. The Montreal company, he maintained, was more of a retail company than the Toronto Hydro, having a great many more customers. It is now up to Sir Adam.

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BANK OF MONTREAL

Established Over 100 Years

Capital Paid up, $16,000,000. Rest, $16,000,000.
Undivided Profits, $1,901,613.
Total Assets - - - - $558,413,546.

BOARD OF DIRECTORS:
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Head Office: MONTREAL.
General Manager—Sir Frederick Williams-Taylor.

Branches and Agencies {
Throughout Canada and Newfoundland.
At London, England, and at Mexico City.
In the United States—New York, Chicago, Spokane.
San Francisco—British American Bank.
(owned and controlled by Bank of Montreal).

THE MERCHANTS BANK OF CANADA

Head Office: Montreal. Established 1864.

Paid-up Capital ....$7,000,000 Total Deposits (Oct., 1918).$132,000,000
Reserve Funds ....$7,437,973 Total Assets (Oct., 1918)..$165,000,000

President: SIR H. MONTAGU ALLAN, C.V.O.
Vice-President: K. W. BLACKWELL Managing Director: E. F. HEBDEN
General Manager: D. C. MACAROW,
Supt. of Branches and Chief Inspector: T. E. MERRETT

COLLECTIONS FOR BUSINESS HOUSES

This satisfactory service which The Merchants Bank renders to Business Houess, in the matter of collecting Notes, Drafts, and other financial paper, is due to the number and strategic location of its branches throughout Canada, and the efficient system in force.

Special attention is given to collections; returns are promptly made and credited; losses are often prevented by the care and thoroughness with which we do this part of our work.

236 Branches in Canada Extending from the Atlantic to the Pacific.

The Standard Bank of Canada

QUARTERLY DIVIDEND NOTICE NO. 113

Notice is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st of January, 1919, and that the same will be payable at Head Office in this City, and at its branches on and after SATURDAY, the 1st day of February, to Shareholders of record of the 23rd of January, 1919.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 26th of February next, at 12 o'clock noon.

By order of the Board,
C. H. EASSON,
General Manager.

Toronto, December 20th, 1918.

The Dominion Bank

HEAD OFFICE - - TORONTO

SIR EDMUND B. OSLER - President
W. D. MATTHEWS - Vice-President
C. A. BOGERT - - General Manager

THE LONDON, ENGLAND, BRANCH
Of the Dominion Bank at 73 Cornhill, E.C.

Conducts a General Banking and Foreign Exchange Business, and has ample facilities for handling collections and remittances from Canada.

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UNION BANK of CANADA

Dividend No. 128

Notice is hereby given that a dividend at the rate of 10% per annum upon the paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Saturday, the 1st day of March, 1919, to shareholders of record at the close of business on the 14th day of February next.

The transfer books will be closed from the 14th to the 28th day of February, both days inclusive.

By order of the Board,
H. B. SHAW,
General Manager.

Winnipeg, January 16th, 1919.

THE MOLSONS BANK

Incorporated by Act of Parliament 1855

Paid Up Capital - - - $4,000,000
Reserve Fund - - - - 4,800,000

Head Office, Montreal

Besides its 98 Branches in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the world, offering its clients every facility for promptly transacting business in every quarter of the globe.

Edward C. Pratt, General Manager

EAST AND WEST MUST MEET EACH OTHER HALF WAY

Views of President Marnock of Lethbridge Board of Trade

FARMERS-BANKERS

Joint Committee in West Has Been a Success—Government Loans on Business Basis—National Board of Trade

Few men in Western Canada have shown so broad an understanding of important issues affecting local conditions in relation to business, economics and agriculture and of the fundamental relations between Eastern and Western Canada, as G. R. Marnock, president of the Lethbridge Board of Trade, whose communications upon current topics of interest West and East have from time to time been presented to readers of the FINANCIAL POST. In his annual report of the Board of Trade, a lengthy document reviewing developments of the year in relation to a great number of subjects of commercial, financial and agricultural import, Mr. Marnock takes up the question of relations of East and West from the standpoint of wider mutual interests:

There have been tentative approaches during the last year or to towards the establishment of a better feeling and a better understanding between the East and the West in Canada. There is a geographical division between us that can very easily conduce to estrangement, and it is essential for our national well-being that this feeling should be reduced rather than magnified. The feeling in the West is that we are mainly an agricultural nation, selling our produce on the open markets of the world, and that there must be recognition of that fact in our political economy.

Recognition, too, is required of the fact that we are geographically a part of a continent that contains in itself all of the material for human needs, with the exception of a very few tropical products.

During this year your president had the opportunity of seeing quite a large number of the manufacturing plants in Eastern Canada, more especially those engaged in the manufacture of war material, aeroplanes, etc. The feeling that is left in a Western man's mind after such a visit is that the courage and initiative, brains and enterprise, that are evident on every hand will be maintained and increased in the interests of our country; and that that same courage will not be wanting in recognizing those needs of the West that must absolutely be met if we are to maintain our place in the world.

Solving Problems

That the Westerners have reason to appreciate the advantages of joint conferences, where different interests involved are given an opportunity to present their cases, is indicated by Mr. Marnock in reference to the success which attended the sittings of the joint committee of Commerce and Agriculture composed of twenty-five farmers and twenty-five leading business men and bankers of the West:

This committee of 25 leading farmers and 25 business men and bankers of Western Canada, which has already done so much useful work in establishing better relationships between these interests, held a meeting at Regina in March, 1918. Several aspects of the recent development of farmers' co-operative trading in the West are under discussion, and further attention to this matter was left to a conference of retailers, wholesalers and manufacturers with the farmers.

The committee agreed upon a recommendation to the legislatures of the various provinces that steps should be taken among them towards effecting uniformity of legislation, and that commissioners should be appointed for the promotion of that uniformity, which all classes of the community now recognize to be so desirable.

A recommendation was passed on to the Dominion Government that the Lands Act should be amended to enable entrants for pre-emptions and purchased homesteads to borrow money on their lands after the duties had been performed and before issue of patent.

In closing the sessions, Dr. J. G. Rutherford, the chairman, said that "the Conference generally had been the most harmonious yet held. This in itself was a most encouraging feature, indicating the advance that had been made in mutual understanding, confidence and esteem. Such abstract results were more important, perhaps, than any concrete conclusions arrived at, though some of these were very important. Certainly there was coming about a better mutual understanding between business interests and the most important agrarian movement the world had ever seen."

Agricultural Situation

In reviewing the agricultural conditions of last year Mr. Marnock points out that despite the drought the results on most of the well-prepared land were remarkably good. His advice is that effort spent in preparing the soil will be well repaid in yield. The dryness of the season, however, emphasized the possibilities of irrigation, on which subject he says:

Many of our farmers are still not quite alive to the fact that considerable quantities of water that might be used for irrigating their lands are running to waste in the rivers and streams that come from the Rocky Mountains and flow past our doors. Others who have been aware of this have been anxious to get these waters; while others again, although they have had the knowledge, have said that they think the cost of getting the water on their farms would be too great, and that they prefer to go on grain farming because they do not know enough about irrigation farming to be able to make a success of that business. It is a striking fact, however, that you meet hardly a single farmer who does not say, "Oh, if I could only get enough irrigation water to grow enough alfalfa or other hay to feed my stock through a dry season, and to help out with my water supply, I would not trade this farm for anything under the sun." And when you tell him that besides all that he might rotate the use of the water around the farm, putting, say, forty acres of his quarter section under alfalfa for a few years, and then change around to another forty acres, he becomes enthusiastic at once and wants to know more about it. The irrigation engineers have now begun to look at the matter from this angle. Hitherto, and naturally, they have been thinking along the lines that were laid down for the use of irrigation water in the United States, where the projects were so costly that it was an economic necessity to keep the available waters within concentrated areas. But we are not exactly in that position; and there is this other point of difference here: **that all our** lands in Southern Alberta are of agricultural service, whereas in the arid regions of the States the irrigated lands are now worth as much as two and three hundred dollars an acre, while the lands immediately adjoining are not worth thirty cents.

There have been preliminary surveys made to disclose the further possible use of waters that **are available in the** foothills for irrigation; it has been shown that water may be carried to irrigate some 350,000 acres to the southeast of Lethbridge along the line between Stirling and Foremost. It is highly essential that the work on these surveys which was interrupted owing to the war should be pushed forward with all possible speed, so that the farmers in that district may be advised as to the feasibility of getting part of their lands irrigated.

Farm Mortgage Credits

On the question of farm mortgage credits Mr. Marnock refers to the necessity for such loans if floated by the Government to be on a paying basis:

Following upon the very considerable extensions of the acreages put under cultivation there has been an active demand for further farm mortgage credits, which has been readily supplied by companies and private individuals at the prevailing rate of about eight per cent. It has been noticeable, however, that the amounts loaned have been conservative and guarded; and the reason assigned for this attitude on the part of the lenders is the nature of recent legislation which, while apparently designed for the protection of the borrower, has so curtailed the security with which a first mortgage should be attended that the lenders have taken special precautions to protect their security; and the cutting down of the amount lent helps in this direction. Farmer borrowers have learnt that such legislation as interferes with the nature of the security that they offer, which in itself is first class, is not really in their interest.

The Alberta Government has refrained from putting into operation their plan for granting farm mortgage credits in face of the present high rates for money; if this plan is gone on with it should be seen to that the money is lent on such a basis that the full cost is borne by the lenders and not partly by their fellow-citizens.

National Board of Trade

A strong recommendation is made by Mr. Marnock in favor of the organization of a National Board of Trade, somewhat on the lines of the Chamber of Commerce of the United States, with central headquarters and staff. Such an organization would, he submits, provide a means of concentrating effort and of securing the opinion of business Canada upon questions of national import.

NO FRENCH TRAIN IN NEAR FUTURE

Project Dismissed For Time Being Because of Congestion of European Traffic

By Resident Representative

OTTAWA.—The Trade and Commerce Department insists, notwithstanding the statement of Senator Beaubien, that the attitude of the department and of Sir George Foster towards the French train proposal has been consistently friendly, and that when the matter was put up to the C.M.A. the secretary, Mr. Murray, intimated that the time was not propitious in the opinion of the manufacturers.

There will be no train this year, anyway, as a cable has been received from Sir George Foster announcing that, owing to the congestion on the French railroads due to the demobilization of troops and the movement of supplies the project would not be practicable this year. In a letter recently received from Sir G. McL. Brown, European representative of the C.P.R., he stated that the French lines were terribly congested with troops and materials for reconstruction, and that there would probably be some difficulty in getting the exhibits forwarded for the Lyons Fair.

Department of Trade and Commerce was prepared to give the matter every possible assistance, but in view of the attitude of the French government as a result of the traffic congestion, the matter will be dropped for this year.

T. M. F.

FARMERS SHOW INTEREST IN THE CASE FOR BANKS

Vere Brown is Heard For Three Hours at Edmonton

HE REFUTES CHARGES

Western Head of Bank of Commerce on Hand at U. F. A. Convention to Debate Issue Regarding Western Banks

CALGARY.—At the convention of the United Farmers of Alberta at Edmonton last week voice was given to many of the charges heard against the Canadian banking system in relation to the farmers of Western Canada by W. J. Leedy, who moved a resolution favoring changes in the present system which would benefit the West. He charged that less than 10 per cent. of the deposits of the banks were used for agricultural purposes; that the four largest banks formed a monopoly; that Canadian banks loaned too much money to Wall Street, etc.

In reply the convention listened attentively for nearly three hours to Vere Brown, manager of the Central Western branches of the Canadian Bank of Commerce, who has done much in recent years to bring the agricultural and financial interests of Western Canada to a basis of mutual understanding. The manner in which his address was received indicated that the majority of those present were interested in hearing the case of the banks and willing to consider both sides of the argument in passing jurgment.

Mr. Brown criticized Mr. Leedy's estimate of the proportion of funds available for agriculture as being inaccurate, pointed out the efficiency and economy of operation of the present banking system, declared he had no such knowledge as Mr. Leedy respecting the matter of forcing grain on the market when prices were low and pointed to the serious risks of improper management of small banks.

"The man who goes on the grain exchange hasn't a show on earth, and one hundred per cent. of such men lose their money sooner or later and the grain exchange would prove a temptation to many small bank proprietors," he declared.

Pleads With Farmers

"If I thought one-half of what Mr. Leedy has told you were true, I should feel—well, I won't say hot, but deeply, bitterly disappointed that eighteen years of my life have been spent to such ends," said Mr. Brown, earnestly. "I have devoted most of my life to the building up of what I hoped and thought was an efficient banking system to serve this new country. Evidently I thought it better than it is, but I am sure it is not as bad as it has been reported to you. We want to know where the system is weak, and I believe that this airing will have great beneficial results. But I hope you can see your way clear to refer this serious matter to your executive for further conferences before you decide to present this recommendation at Ottawa. Please consider that you contemplate tearing down at one blow a system built up by one hundred years of effort, a system which has proved adequate for the Eastern provinces of this Dominion."

Mr. Brown spoke very earnestly and apparently impressed the convention with his evident sincerity and disinterestedness.

Refutes the Charges

He refuted the charges that the policy of credits was dictated by the co-called big "interests" and declared that in his bank at least the responsibility for every detail of operation of Western branches devolved upon himself. He had hoped to achieve a system better than any before provided for the settlement of a new country. If he and his bank had failed they were anxious to know how and where.

Some farmers in the West had a right to be sore against the banks. But many others had no right and had got the big end of the stick on many cases. A great deal of prejudice arose out of the belief that fabulous profits were obtained at the expense of the farming community, but this was not so. When the war earnings were at their height the average earnings were only fifteen per cent. of the capital of the bank and the average earnings properly computed were only 77-10 per cent. This was giving service to the community at moderate renumeration.

The People's Bank

The Bank of Commerce, he declared, was owned by 6,769 individuals, and the ownership was as great a democracy as the U.F.A. The directorate was an advisory body only; the bank was administered by its executive, composed of men trained up in the service of the bank. The Western work was on his hands, and he was not interfered with except in matters involving credits of more than $25,000, when he made recommendations to head office. This was true of all banks.

For 30 years the banks had been extending credit to Ontario and the Eastern provinces without a whisper that banking facilities were not sufficient. The difficulty had been to persuade and encourage the farmers to take sufficient credit to build up agriculture properly. If Mr. Leedy could show them that what the Kansas bankers had been shown was true of this country they are ready to change their ways.

The Banking Policy

Mr. Brown proceeded to explain the banking policy at great length, describing the responsibilities of each office and official. He emphasized the fact that the present system could and did maintain branches through long periods of loss which small banks could not do. Eight hundred branches had been organized to serve the three western provinces and 100 new branches had been opened since the armistice. No part of North America had ever had such facilities during the pioneer stage. Of 160 private banks in Ontario only 16 remained alive. The others had failed.

In 18 years, he declared, he had never once been asked to curtail lending to Western farmers, although other interests had been curtailed.

The present system had averted both panics and restrictions at critical periods and provided uniformity of policy, but the biggest advantage was the manner in which the spread permitted branches to take larger risks in small communities than any small bank system could do.

If the U.F.A. were determined to try out local banks he advised them to select a good territory, capitalize at $500,000, and establish 15 or 20 branches.

The day was not far distant, he prophesied, when Western farmers would be depositing more than they borrowed. Then the time would have come when the local bank could be easily achieved. The first duty of the Government was toward those whose money had to be lent, the eyes of all Canada were on the Western farmers' associations and their influence would be greater if they demonstrated that they were fully seized with their great responsibilities.

Before concluding, Mr. Brown declared that the writing of the hail insurance by local managers was contrary to the policies of all banks.

"If you find a manager writing insurance, that is absolutely wrong," he said.

The convention rose up with shouts of "They all do it!"

"Seventy-five per cent. of them do it!"

"The banks are under pledge to stop it; it's wrong. I want to know of every case," said Mr. Brown. "We must stop that."

MUST GO AFTER THEIR OWN ORDERS

Trade Commissioners Will Not Act as Drummers For Individual Firms

By Resident Representative

OTTAWA.—It is being appreciated by Canadian manufacturers who desire to participate in reconstruction trade that they must do as their rivals in the United States are doing and get out after it by sending personal representatives to Europe who will work in conjunction with the Trade Commissioners here and there. The Government mission cannot undertake to act the part of commercial travellers for individual firms. They are posting manufacturers as to opportunities in a general way, but placing business for particular industries is not part of their duties.

The war was scarcely over when representatives of U. S. business concerns were sailing for Europe. By the middle of December the last representatives of the big packing firms, for example, were in Europe. The Trade Commission here is receiving and advising representatives of business groups now. Representatives of the woollen manufacturers have already gone over and packers and agricultural implement men are following. Representatives from the clothing manufacturers will meet the Commission here this week to make similar arrangements. When trade representatives go over they will receive every possible help; and if they run up against difficulties the Commission will be ready to help them. They can go to the office of the Commission in London and be put in touch with the right people. Several of the large trade interests in Canada have apparently been looking to the Trade Commissioners here or in Great Britain to get business for them, but it is not going to be done that way. It is regarded here as extraordinary that big business interests like the flour manufacturers and packers should not have been on the ground before this.
—T. M. F.

HURON & ERIE PLANS TO DOUBLE CAPITAL STOCK

Would Draw on the Reserve Fund to Extent of $2,500,000

PROFITS STILL HIGHER

Earnings of 18% on Capital Stock After Deducting War Taxes—Increased Funds on Canadian Debentures

In view of the continuation of conditions in the mortgage field in Canada which could not be regarded as satisfactory—with a tendency towards higher rates of debenture interest and curtailed demand for property loans—the substantial increase shown in the profits of the Huron and Erie Mortgage Corporation, as indicated in the annual statement for the year ending December 31st, is a matter for congratulation to the management and to the shareholders while at the same time adding stability to the position of debentureholders and depositors. The profits amounted to $474,069, as compared with $450,192 in 1917, which was the highest record up to that time. After the payment of dividends, taxes, etc., the sum of $200,000 was appropriated to reserve. This latter sum was double the appropriation in the previous statement and had the effect of reducing the surplus of profit and loss from $86,669 to $23,337. Following are comparative profit and loss figures for the past three years:

	1918	1917	1916
Profits	$474,069	$450,192	$440,310
Bal. forward ...	86,669	85,518	40,662
	$560,738	$535,710	$480,972
Distribution:—			
Dividends	$300,000	$300,000	$298,474
Taxes	8,099	8,881	7,902
War Tax	13,477	11,234	10,396
Pension	10,000	10,000	10,000
Patriotic	6,825	9,423	2,750
Branch exten. .	.....	10,000	10,000
Reserve	200,000	100,000	55,930
Balance	23,337	86,669	85,519
	$560,738	$535,710	$480,972

To Change Stock Issue

The large appropriation for reserve brings the total of that account up to $3,300,000, as compared with a paid-up stock capital of $2,500,000. This is most significant in relation to a proposal which will be laid before the shareholders at the annual meeting on February 12, when by-laws will be submitted for the purpose of increasing the capital stock by the conversion of a certain portion of the reserve fund into capital stock, providing for the pro rata distribution thereof among the present shareholders and redividing the stock into shares of $100 each.

The proposal involved, which has already been passed by the directors, is to increase the value of the shares from $50 to $100, thus increasing the capital from $2,500,000 to $5,000,000, and appropriating the sum of $2,500,000 from the reserve fund for the purpose, leaving a surplus still of $800,000. The dividend, which is now 12 per cent. on the present basis, would be reduced to 6 per cent. on the increased capitalization. It is considered, however, that in view of the fact that the company last year earned 18 per cent. after deducting taxes, as compared with the 12 per cent. paid, that the new 6 per cent. dividend might easily be increased in the near future.

The arguments for the proposal include the advantage of a change from the present $50 valuation to the standard $100. At present, two shares are usually quoted as one and this is awkward. Then better loaning arrangements can be made on the basis of paid up capital as compared with reserve funds. The position of the shareholder would be improved from the fact that he would have in his own name what is now only his as an asset in the company. The viewpoint of the debentureholder would also have to be taken into consideration, but it would appear that he also is in a better position because surplus put into stock would be more permanent than as a current fund.

The Earnings Record

After deducting taxes the profits amounted to $452,493 or 18.0 per cent. on capital, the earnings, therefore, were not only the highest in volume but the highest in percentage in the company's history. Following are comparisons for the past five years:

Year	Paid-up Capital	Profits	Div.	% pro. av. cap.	Earn. rate
1918 ..	$2,500,000	$452,493	12	18.0	8.0
1917 ..	2,500,000	430,577	12	17.2	7.8
1916 ..	2,500,000	422,312	12	16.9	7.8
1915 ..	2,458,415	411,493	12	16.9	7.9
1914 ..	2,406,201	405,116	12	17.5	8.7

More Funds in Canada

The success which has attended this company's efforts to dispose of debentures in Canada under war conditions has continued. This is an interesting indication of the balance sheet. The total of Canadian debentures has increased from $4,703,191 to $5,215,130. Sterling debentures have fallen off from $4,032,950 to $3,859,727 and deposits have grow somewhat—from $3,025,255 to $4,032,950.

Assets have increased from $17,646,717 to $18,207,750. Loans on mortgages have declined somewhat—from $10,626,306 to $10,471,100. School and other debentures are lower; but there is a considerable increase in holdings of Government bonds. Cash in hand is higher by about $360,000 at $1,273,596. Altogether, although profits have shown a material increase, the reserve position has been strengthened rather than weakened by the shifting which has taken place in investments.

BUTLER PRESIDENT OF CANADIAN CAR

Senator Curry Resigns to Become Chairman of Board—Frater Taylor Joins

Several changes were made in the management of the Canadian Car & Foundry Company at the annual meeting on Thursday. The president, Senator Curry, retired to become chairman of the Board, a new office, and was succeeded by the vice-president and general manager, W. W. Butler. J. Frater Taylor, chairman of the Lake Superior Corporation, was chosen vice-president in charge of finance, and R. H. Parks, vice-president, with the title of general manager, in charge of the plants of the company. The following were chosen as members of the executive: W. F Angus, H. W. Beauclerk, Senator Beaubien, K. W. Blackwell, and Mark Workman. This body will meet every week, while there will be monthly gatherings of the whole Board. F. A. Skelton, it is announced further, has resigned from the position of secretary-treasurer, and Mr. Taylor, the new vice-president, will take up his duties in the immediate future.

In his address to the shareholders President Curry referred to his being at the head of Canadian Car since its organization ten years ago, and previous to that at the head of the Rhodes-Curry Company from its organization 42 years ago, the oldest company merged into the Canadian Car Company, and declared that he had earned the right to shift some of the burdens. In reference to Mr. Butler, he stated that he had been senior vice-president of the corporation from the first, and for the past two years managing director as well, and was formerly the head in Canada of the Simplex Railway Appliance Company, and the Dominion Car & Foundry Company, which were merged with the Rhodes-Curry Company into Canadian Car "Mr. Butler's knowledge of our business, his strong personality and friendly relations with our customers generally, eminently fits him for the office that he has consented to take. Mr. Parks, he said, "was a practical car builder, with a very wide experience and of acknowledged ability." Mr. Curry, in taking the chairmanship of the Board, would continue to assist in procuring contracts and would act in an advisory capacity generally.

Value of Preferred and Common

Senator Curry made an interesting estimate of the values of the preferred and common stocks. Taking the outstanding bonds and mortgages of $8,400,000, and current liabilities of $9,128,000, a total of $17,528,000, and deducting from these total assets of $39,844,000, there remained a credit balance of $22,316,000. Deduct from this again all back dividends and war tax, amounting to $2,700,000, there remained over $19,500,000 behind the $7,500,000 of preferred stock, and the $5,000,000 of common stock. This was equal to $180 a share for preferred, and $120 a share for common. Mr. Curry pointed out further that the company had required the large working capital it had acquired in order to carry the enormous inventories made necessary by war conditions, and added the cheerful information: "Within another six months, however, these conditions will have changed, and the result should be a cash surplus quite sufficient to pay off back dividends and still leave sufficient working capital."

So far as the first three months of the current fiscal year were concerned they had been as good as in the year preceding, and the company would pass through a good part of the reconstruction period without serious reduction of output.

There was a good attendance of the shareholders at the meeting, but the proceedings were remarkably quiet as compared with former yars, and not a single question was asked the directors. These were re-elected as follows: W. F. Angus, H. W. Beauclerk, W. W. Butler, V. M. Drury, R. H. Parks, Hon. C. P. Beaubien, K.C, K. W. Blackwell, Hon. N. Curry, Hon. G. G. Foster, K.C., Wm. McMaster, and Mark Workman, of Montreal, and H. J. Fuller, A. Hicks Lawrence, Erskine Hewitt, of New York, and Hon. E. C. Smith, St. Albans, Vermont.

DOING ITS BEST TO "HAMSTRING" PAPER INDUSTRY

A Severe Arraignment of Price-Fixing Policy By New President

HANDS OFF INDUSTRY

J. A. Bothwell Attacks Publishers Also—Not Afraid of Fair Trial—Better Export Facilities

A slashing attack upon what he charged was "scandalous" treatment of the newsprint mills of Canada, not only by the Dominion, but the United States Government, was the keynote to the address of the new president of the Canadian Pulp and Paper Association, J. A. Bothwell, general manager of the Brompton Pulp and Paper Co. This was delivered in proposing the toast of "Our Country" at the annual banquet of the association on Friday evening of this week.

Mr. Bothwell was chosen in the afternoon as successor to F. J. Campbell, of the Canada Paper Company. In his address Mr. Bothwell gave an estimate that the total production of the pulp and paper industry in Canada for the year 1918 would reach a value of not less than $120,000,000, and that the total exports for the same period would amount to about $100,000,000, an increase of more than 25 per cent. over the preceding year.

The speaker prefaced his protest against the treatment accorded this industry by the claim that the industry had been and was producing to its utmost capacity; that it was giving highly remunerative employment to thousands of workers; that it was contributing largely to the financial necessities of the Government in carrying on a war making unparalleled demands upon Canada's resources; that it was supplying commodities virtually needed at home, as well as carrying on an export commerce greatly to the advantage and enhancement of Canada's credit abroad.

Last, but not least, the industry had contributed its just proportion—over 3,000 men even before enforced military service came into effect—of the stalwart sons of the Dominion who had donned the khaki and crossed the seas to fight their country's battles.

Political Persecution

"But notwithstanding all this—notwithstanding our contributions to the national welfare in every form and to the full extent of our abilities—our cheerful compliance with every obligation laid upon us, no matter how onerous its character, we found that we were still being made the victims of a political persecution such as no other industry in Canada was submitted to. We were being harassed and persecuted, not alone in our own country, where indeed, we had every right to look for a complete measure of protection and support, but also in the country south of us, where, with some of our fellow manufacturers in that country we were being treated with the same lack of consideration.

The proceedings before the Federal Trade Commission of the United States had had a 'most unfair and unsatisfactory outcome,' but once we were permitted to take our case before a judicial tribunal, a tribunal uninfluenced by political considerations and unamenable to newspaper pressure, we began to receive treatment more commensurate with our rights as business men, as manufacturers, and as citizens. At last we felt that we were getting a square deal.

And let me say right here," went on the speaker, "that we have never been afraid, that we have never been reluctant to have our rights passed upon by the courts, either those of Canada or those of any other country. We have objected, and we do most strenuously object to being used as a political football either here or elsewhere. We do object to this industry being singled out from all others for the liquidation of political obligations incurred by the politicians in office for the benefit of publishers of newspapers who may or may not have helped to put them there. We see no reason why we should not be permitted to run our own business, divorced altogether from politics and politicians, subject only to the same laws and regulations that apply to similar businesses. We want to be treated just like other industries are treated: nothing more and nothing less."

Referring to what had happened one year ago, Mr. Bothwell declared that the industry had been compelled to sell its products at a price not only below the market price, but in some cases below the cost of production and threatened with heavy fines and confiscation of their properties if they failed to obey special orders-in-council.

What had been lost in a financial way, figured at nearly $1,500,000 up to July last, was small and unimportant as compared with the general setback sustained by the industry and by the partial demoralization of the export market in consequence of this unfair treatment.

"The most iniquitous feature of the whole proceedings," Mr. Bothwell went on, "rests in the fact that our Government is allowing itself and its machinery to be used for the purpose of hammering down the selling price of the products of one of its leading industries in its principal export market. While members of the Government are going up and down the country making speeches urging greater production, a wider utilization of our raw materials and increased exports, as necessary to the country's salvation in Ottawa they are doing their best to hamstring the one industry which is in a position to 'bring home the bacon.'"

The Labor Situation

In referring to labor problems, Mr. Bothwell expressed the opinion that "we shall now be able to make good our deficiencies in this respect (a labor supply), and thereby to increase our output." Places must first be found for the men who had been fighting, and surplus labor absorbed as much as possible.

He urged, as a measure of preservation for pulpwood that the practice of cutting down thousands of young spruce trees for use at Christmas be stopped.

Problem of Re-establishment

After a review of the various activities of the association, the retiring president, F. J. Campbell declared that the association must give the most serious consideration to the whole problem of re-establishment In the case of the returned soldiers. employers and foremen must exercise patience and effort, and the majority of the men would soon be better than ever.

As the Canadian mills were competing with the world, it was of vital importance that inland and ocean transportation be obtainable at rates proportionate to those obtained by other countries. Now ocean rates were still 700 per cent. higher than under pre-war figures.

The importance of conservation of the forests could not be over-estimated. The amount of wood used in the industry, including what is exported to the United States was estimated to have increased 475 per cent. during the last fifteen years, and now amounted approximately to 3,000,000 cords a year. In the next fifteen years the consumption probably would be at the rate of 7,500,000 cords a year, "which is greater by more than 2,000,000 cords than the present annual consumption of pulp wood of the United States."

GOVERNMENT TAX CANADIAN PACIFIC

Likely to be $2,000,000 Short of the $7,000,000 Which Had Been Expected

By Special Representative

MONTREAL.—There would seem to be little chance of the Government being able to claim and collect the full amount of the special tax of $7,000,000 that was levied on the Canadian Pacific Railway Company last year. While official figures will not be available for some weeks yet as to total earnings of the road, there will be a balance of only $2,345,968 in ordinary account on the basis of charges of one year ago as compared with $12,420,915 a year ago. The special account showed a balance of $2,913,000 a year ago, and if there is a similar amount this year the total above the dividend payments will be only $5,258,968, compared with $15,333,915 one year ago. Thus if the Government stripped the company of its whole surplus for the year it would still fall short some two millions of its seven million estimate.

CANADA TRUST

Increased Profits for 1918 Will be Shown in Report

Although a report of the Canada Trust Company for 1918 is not yet available, it is learned that profits of $140,411 will be shown as compared with $135,266 for 1917. The showing is the best in the history of the company as indicated by the following:

	Net profits.	Assets.
1913	$ 63,990	$4,830,162
1914	101,068	5,555,100
1915	117,002	6,271,868
1916	121,692	7,511,818
1917	135,266	8,914,043
1918	140,411	9,910,267

TAX GRIEVANCE

Border Chamber of Commerce Petitions Government

WINDSOR.— With the industrial development of Windsor and neighboring municipalities menaced by proposed double income tax that may be imposed by the United States Government on American citizens doing business or working in the Dominion. Border Chamber of Commerce and other trade bodies in Western Ontario are preparing to take the fight to Ottawa and Washington if necessary.

More than 2,000 persons in Essex would be affected by such a tax, and it will be next to impossible for branches of American industries to continue in business in the Dominion should the tax become law, declared members of the Chamber.

UNLISTED SECURITIES

STOCKS—	Bid	Ask
Alberta Pac. Grain, com..	115	125
Do., pref.	85	95
Atlantic Sugar, com.	20	23
Do., pref.	66	70
Belding-Paul, com.	23	27
Do., pref.	79	85
British Amer. Ass.	9	..
Canada Machinery, com. .	15½	19
Do., pref.	46	53
Carriage Factory, pref....	38	45
Can. Westinghouse	104	110
Canadian Oil, com.	44	46
Do., pref.	96	..
Dom. Manufacturers, pref.	42	55
Dom. Pr. & Trans., com...	42	47
Eastern Car, pref.	48	55
Great West Life	220	230
Home Bank	75	78
Imperial Oil	860	..
Illinois Traction, pref....	71	75
Inter. Milling, pref.	85	88
Murray-Kay, pref.	24	32
A. Macdonald, pref.	95	98
Wm. Neilson, com.	54	..
Sterling Coal, com.	14	16
Sterling Bank	92	96
Standard Reliance	40	44
Tooke Brothers, pref. ...	67	69
Trust & Guarantee .. .	75	80
Volcanic Oil & Gas	80	87
Western Assurance	7¾	8¾
BONDS—		
P. Burns, 1924, 6s	99	105
Do., 1931, 6s	96	99
Canadian Cotton, 5s	79	83
Can. Steamship Bds., 5s...	82	85
Dominion Canners, 5s	92	94
Elec. Development, 5s	87	92
Eastern Car, 5s	89	85
Nova Scotia Steel, 6s ...	88	91
Ontario Pulp, 6s	86	90
Porto Rico, 5s	74	80
Riordon Pulp, 6s	93	95
Sterling Coal, 6s	71	76
Sao Paulo, 5s	80	85
Stone Limited, 6s	90	95
Toronto Power, 5s	87	92
Tor. & York Radial, 5s..	96	97½
Toronto Paper Co., 6s	86	92

DIVIDENDS

Company	Date	Rate	Record
Can. Southern	Feb. 1	1½%	Dec. 31
Steel of Can., com...	Feb. 1	1½%	Jan. 10
Do., pref.	Feb. 1	1¾%	Jan. 10
Penmans, pref.	Feb. 1	1½%	Jan. 21
Merchants Bank	Feb. 1	2¾%	Jan. 15
Coniagas Mines	Feb. 1	2½%	....
Dom. Steel Corp., pref..	Feb. 1	1½%	Jan. 15
Dom. Coal, pref.	Feb. 1	1½%	Jan. 11
St. Law. Flour, com....	Feb. 1	1½+1%	Jan. 18
Do., pref.	Feb. 1	1¾%	Jan. 18
Monarch Knit	Feb. 1	1¾%	Jan. 24
Intercolonial Coal, com.	Feb. 5	3½%	Jan. 20
Do., pref.	Feb. 5	3½%	Jan. 20
Brompton Pulp	Feb. 7	1½%	Jan. 31
Penmans, com.	Feb. 15	1½%	Feb. 5
Kaministiquia Pr..	Feb. 15	2%	Jan. 31
Can. Converters	Feb. 15	1¼%	Jan. 31
Sterling Bank	Feb. 15	1½%	....
Dominion Bridge	Feb. 15	2%	Jan. 31
Ont. Steel Prod., pref..	Feb. 15	1¾%	Jan. 31
Montreal L., H. Cons. .	Feb. 15	1%	Jan. 31
Montreal L., H. & Pr..	Feb. 16	2%	Jan. 31
Cedar Rapids	Feb. 15	¾%	Jan. 31
Can. Foundries, com. .	Feb. 15	3%	Jan. 31
Do., pref.	Feb. 15	1¾%	Jan. 31
Can. Cement, pref.	Feb. 16	1¾%	Jan. 31
B.C. Packers, com. ...	Feb. 21	2½%	Feb. 8
B.C. Fish	Feb. 21	1¼%	Feb. 8
Bk. of Hamilton	Mar. 1	3%	Feb. 20
Union Bank	Mar. 1	2½%	Feb. 14
Bk. of Commerce	Mar. 1	3%	Feb. 12
Bk. of Montreal	Mar. 1	3%	Jan. 31
Home Bank	Mar. 1	1¼%	....
Royal Bank	Mar. 1	3%	Feb. 15

Free Financial Information

THE FINANCIAL POST maintains an Investors' Information Bureau for its subscribers. If you desire special information on any Canadian security or other financial matter, send along your enquiry. Replies are by mail and correspondence is confidential. Enclose stamp for reply.

Banking Service

The attention of manufacturers is drawn to the excellent facilities this Bank offers in all branches of a complete banking service.

A good banking connection is an essential to the success of the manufacturer or merchant.

THE CANADIAN BANK OF COMMERCE

Capital Paid Up, $15,000,000. Reserve Fund, $15,000,000

THE ROYAL BANK OF CANADA
INCORPORATED 1869
Capital Paid Up - - - - $ 14,000,000
Reserve and Undivided Profits - 15,500,000
Total Assets - - - - 427,000,000
HEAD OFFICE, MONTREAL
Sir Herbert S. Holt, President.
E. L. Pease, Vice-President and Managing Director.
C. E. Neill, General Manager.
530 Branches in Canada, Newfoundland, West Indies, Central and South America, etc., distributed as follows:
Canada 465
Newfoundland 6
West Indies 47
Central and South America 9
Spain (Barcelona) 1
U.S.A. (New York) 1
Great Britain (London) 1
530
LONDON, ENGLAND Bank Bldgs., Princes St., E.C.
NEW YORK CITY Cor. William and Cedar Sts.
Business Accounts Carried Upon Favorable Terms.
Savings Department At All Branches.

The Weyburn Security Bank
Chartered by Act of the Dominion Parliament.
NINETEEN BRANCHES IN SASKATCHEWAN
HEAD OFFICE, - WEYBURN, SASK.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

THE HOME BANK OF CANADA
"No man is poor whose incomings exceed his outgoings."
Branches and Connections Throughout Canada
HEAD OFFICE AND EIGHT BRANCHES IN TORONTO

NEWS OF SECURITIES—Market Continues Attitude of Waiting

THE waiting attitude of the public towards the stock market has been continued. The result has been an irregular list with a narrow range which has shown a disposition to develop bulges, particularly on the lower side, under any evidence of pressure. However, offerings have been very light and the indications continue that the market is pretty well bought. Opinion holds that many stocks are at the bottom, or close to it, and that any indication of permanent improvement in the industrial and business situation would be reflected in an advance movement. At the same time the factors for uncertainty in the immediate future, particularly in relation to the industrials, are many and that they are regarded with some apprehension by investors is not a matter for surprise. Banks have continued in activity but the general trend of prices has been to lower levels, indicating that moderate profit-taking has been in order.

Generally speaking the bond market continues short of supplies in relation to demand. Under the circumstances Victories are receiving popular attention. In the mines the situation has been strong and active with a number of substantial advances scored.

McCuaig Brothers & Co., Montreal.—Summarizing the situation, it would take a bold man to predict what will be the trend of the market as a whole during the coming six months, but it is evident that the present accumulation of high grade securities is likely to continue, as in view of the uncertainty of the present situation investors are disposed to favor the better secured issues until the point is reached where they cease to be attractive and then attention is likely to be turned towards the more speculative stocks.

J. S. Bache & Co., New York.—In the stock market big capitalists are holding large amounts of stocks, and because there is no demand for them, are idle. Uncertainty as to the future (but not pessimism) keeps the public out of the market. Speculators have the weight of news against advances, and take advantage of it. Railroads are depressed under the absence of any decided action for their benefit. Public opinion on railroads is slowly crystallizing, and the conclusion thus far is pretty thoroughly against Government ownership. No concrete, practical plan, however, is before the country, that would work out for Government control of rates and wages, thus guaranteeing just returns to security holders, combined with the advantages of private control of service and consequently good service. Industrials are feeling their way ahead, and steel and copper are not on such sound footing as to warrant firm opinion as to their future.

Hayden, Stone & Co., New York.—Industrially, the process of adjustment to a "peace" basis has made good progress. Marketwise, we believe it is still further along. No one can pretend to say when the lowest prices for securities, during such a period, are reached, but we believe a few months will show it a mistake to assume a pessimistic attitude toward securities at such a time.

STEEL

Some Stabilizing Influence Is Needed To Help Matters At The Present Moment

By A. R. KENNEDY
Editor "Canadian Machinery"

The one thing most needful in the steel business to-day is that there should be brought into it a decided stabilizing influence. If the large producers were to make a definite announcement regarding prices that would prevail for some time to come, much of the present uncertainty might be done away with. During the war period prices at United States mills were set for each quarter, and the trade knew exactly how long the price would stand and were able to make their plans accordingly.

There are several influences at work to keep the market uncertain, and the chances are that the greatest of these is the expectation that prices are due for another decrease. Then the rumor gets a fresh start that the tax on automobiles may be taken off, and the war tax may be lifted on steel, etc. All of these rumors, unfounded, good, bad or indifferent, are eagerly accepted by the man who is going into the market to buy, and with each of these yarns he seeks to batter down the price schedule to the level that he thinks it should reach before he will come into the market as an actual buyer.

If the producers of steel were to come out flat and make the announcement that prices now announced would stand until the first of July it would do considerable to protect not only the interests of the producer of steel, but the buyer as well, for it would give him the assurance that he would not be making any mistake by coming out as a purchaser now instead of three or four months hence. The idea that money can be saved by waiting and holding off is putting the damper on business at present, and it is an influence that is being felt in the whole procession of business, in which one concern cannot halt without stopping the one next to it.

As far as the FINANCIAL POST can learn from men who are engaged in the steel business, it is not possible to bring down costs in the present market. It is doubtful if a price concession would stimulate buying. At the mills it will probably be found that production costs are going up instead of coming down because at sixty per cent. capacity is more expensive than running at capacity.

Dealers in machinery report that several deals have been put through during the week, and in some of the lines there is a good demand for equipment. This can hardly be taken to indicate a revival in that line of business, but it is sufficient to show that the conditions are improving.

In the scrap metal business a price is named this week for "breakage." This is for shell shop machinery particularly, and indicates that a considerable tonnage of this material is expected within the next few months. The machinery dealers do not want to take it in, and the feeling grows that the sooner the shops get rid of their war contract machinery the better for all concerned.

There has not been active buying of stocks during the week. In the steel group selling has been limited, and the steel securities are dropping off in several places. Some of this is due, no doubt, to the decreasing volume of business that is passing through the books of the companies represented by the securities. There is nothing to stimulate buying, and the decrease in prices is hardly pronounced enough to warrant any of the speculators in selling short.

There is one matter that is frequently discussed in the steel trade, and that concerns the contract which was entered into by the Dominion Government and one of the steel companies for the erection of a plate mill. The Government takes the output up to 250,000 tons, covering a period of five years, at $85 per ton. There is nothing definite regarding the time at which the mill shall start to operate, and it may be a good many months yet. The present base price of steel is three cents (speaking of plate) and allowing for shrinkage that may take place in the next year or so it may come to $50 per ton. It will thus be seen that the Government price is well above this figure. It looks as though it were a favorable contract for any roller to have. Of course, another way to look at it is that the price named is similar to a bonus to the company in order to establish a plate rolling industry on a large scale.

	Last Jan. 23	Sales Jan. 30	Change
Can. Car	29⅝	29¾	+ ⅛
Do., pref.	82	83	+ 1
Can. Loco., com.	62½	63	+ ½
Gen. Electric	102½	102½	...
Dom. Iron, pref.	94	93½	— ½
Dom. Steel	60	59¾	— ¼
N.S. Steel, com.	*60	*60	...
Steel of Can., com.	59¾	59	— ¾
Do., pref.	93½	94½	+ 1
Rus. Motor, pref.	75	*75	...
Do., com.	*84	*84	...

*No sales this week.

DOMINION STEEL

Iron holds its place in the market well when it is considered that other stocks are declining. Last sales were made with an even 60 as the basis for the trading. The announcement is made that Mark Workman, president of the Dominion Steel Corporation, will sail for Europe in a few days. Mr. Workman will confer with certain interests with respect to the reconstruction programme, and will probably at the same time be on the lookout for any new business which may be offering. The standing order that this company has in connection with the plate mill now in course of operation should prove quite an asset. It calls for 250,000 tons of plate at $85 per ton, over a five-year period. The price named is certain to be well in advance of market levels that will rule by the time plates are passing through the rollers of the Dominion mill.

NOVA SCOTIA STEEL

It may have been due to Mr. McDougall's announcement that the steel making plant of the Scotia company would be closed for repairs and extensions that sent common down and again it may have been due to a desire on the part of New York holders of the stock to liquidate some of their holdings. Very few sales are made locally, but New York sales place local figures between 47 and 49 for common. THE POST has been enabled to secure information at various times that made it certain that Scotia would, as soon as shipping became normal, enter the market as a seller of iron ore. This policy will be followed, as indicated by the president's reference to the developments that are planned at the Wabana property. From a map recently published by the Imperial Institute in London, showing in graphic form the mineral production of the Empire in 1915, one learns with some surprise that the United Kingdom itself far outranks the rest of the Empire in the production of iron ore. During 1915 the production of iron ore in the United Kingdom was over fourteen million tons. The next largest producer was Newfoundland with under 800,000 tons. The iron ore output of the rest of the Empire was negligible. Considering the extent of the proved iron ore deposits of Newfoundland, and the probability that deposits are still undiscovered in that country, it would seem fair to assume that the Wabana mines have a great producing future before them, and that the Nova Scotia Steel Company are pursuing the logical policy in developing the Wabana property to produce large quantities of iron ore for sale in the markets of the Empire, for it is an open secret that the Imperial importance and significance of the Wabana iron ore deposits has been duly noted and appreciated by those who are studying the co-ordination of the internal metal and mineral resources of the British Empire.

NATIONAL STEEL CAR

More orders have been placed on the books of this company recently, and the Hamilton plant is well employed. The recent advance in preferred has not been reflected in common, only a few odd lots passing, this week the ruling price being 5¾, against a mark of 5½ at the start of the year. Last week saw a greater business in preferred than for some time past, and the gain of seven points over the year's opening has been maintained.

EASTERN CAR CO.

Although this concern is not listed separately from Scotia holdings, it was much to the front in recent market talk, speculation centreing around the chances for a dividend. Orders for equipment for the Canadian National Railways have been booked. The company is busy and in good shape, but apparently there is some difference of opinion on the part of the directorate regarding the wisdom of declaring a dividend at this time.

CANADIAN CAR

Just when existing contracts were being concluded and loss of activity was threatened, the Canadian National Railways placed an order with the Canadian Car & Foundry Company for 500 stock cars, 250 ballast cars, 150 refrigerator cars, 100 colonist cars and 30 baggage cars, a total of 1,030. These new orders will be distributed among the three plants of the company, at Fort William, Montreal and Amherst. The passenger cars, it is stated, will keep the plant employed until mid-summer and the freight cars until the end of May. These orders will tend to give employment to many of the men who were engaged in munitions, but were let out in November and early in December. The Canadian Car & Foundry Co. is in the fortunate position of being able to manufacture most of the parts as well as assembling the cars.

TEXTILES

Prices for the Week Held Firm, With One of the War Developments Gaining Strength

By H. H. BLACK

There was a fairly active market this week in textile stocks and interest was more keen in two of these than it has been for many weeks. Both are concerns that are coming to the front of late, and for the time being at least they are concentrating more interest on them than on any other stocks, including the leaders in volume of operations. One of these is in many respects a development of the war, and the significant and gratifying feature about it is that now that the war is over there is no sign that it will relapse into the weaker position it held before. It has reached out after business, and it is believed that what it has won in the absence of ordinary competition it will be able to retain for the most part. This is the hope of the majority of the textile mills, both cotton and woolen, and if this is the result, as seems most probable, the war will have produced a permanent benefit for the textile industry of Canada, apart altogether from the infinitely stronger financial position in which the mills are left.

Attention is drawn again this week to conditions across the border, for Canada is connected so closely with these that what is happening there may turn out to be the forerunner of what may develop in this country. The most important factor was the demand of the textile workers for a 48-hour week, with the same pay as for the present 54-hour week. At first there was a disposition on the part of the mills to refuse this, but on Wednesday the American Woolen Company, which operates fifty-two plants and has 30,000 employees, accepted the principle for a large proportion of its mills, but refused to pay for more than 48 hours worked, instead of paying the same amount as for the 54 hours. As to whether the employees will accept the change is not yet known; it is likely at all events that the other mills will follow suit. In Canada the mills as a rule run the 54-hour week, and so far no demand for a change has been made. If all agree, and if the change is made in the States, it could be made here without serious loss, THE FINANCIAL POST was informed by the head of a large textile mill, but every effort would be made to have conditions in Canada kept at least as favorable for the manufacturer as in the States in order that Canada might not be at a disadvantage in competition.

This mill man emphasized two points that were referred to in THE FINANCIAL POST last week; one, that prices in Canada had not been inflated to nearly the extent that they had in the United States, and the decline would not be nearly so great; and secondly, that no matter how the details were worked out there was every indication that for a long time to come the profits of the mills on a percentage basis would not be as large as they had been before the war. Indeed, the writer is of the opinion that the labor movement that is sweeping over the world may compel a compromise that will for some time bring profits down below what they eventually will become, as a sort of swing of the pendulum. In no case, however, would it appear that the textile companies will be compelled to cut down the present scale of dividends.

	Last Jan. 23	Sales Jan. 30	Change
Can. Cot., com.	*68	*68	...
Do., pref.	76	76	...
Dom. Tex., com.	101½	101	— ½
Do., pref.	101	101	...
Mon. Knit., pref.	80	*80	...
Mont. Cot., com.	61	60	— 1
Do., pref.	100	100	...
Penmans, com.	78½	79	+ ½
Do., pref.	85	*85	...

*No sales this week.

ATLANTIC UNDERWEAR

Notices are out for the annual meeting of the Atlantic Underwear Company at Moncton, N.B. The company last year declared a dividend of 7 per cent. on the common stock, 4 payable in December and 3 in February, 1919. It is only a little more than four years since the organization of the company and its rapid advance of earnings on the common stock is notable. Their output last year is said to have been $1,000,000. They were engaged on large military contracts but always cultivated the domestic trade. The military contracts have been cancelled, but it is understood the Government makes an allowance for losses that may thereby follow, in common with similar treatment to other woolen manufacturing companies, Atlantic Underwear, Ltd., has a large stock of wool on hand and the general opinion is that the price of this will not decline for some time at least.

CANADIAN CONVERTERS

There was a good deal of activity in Canadian Converters this week and the stock was a little firmer at 47. Confidence in this industry is increasing and prospects ahead look bright.

CANADIAN COTTONS

None of the demands made in the United States for a shorter week and increased pay has reached Canadian Cottons as yet, and the larger supply of labor that is offering may avert this. The mills are operating on a 54-hour week. It is still about six weeks before fall prices have to be brought out, which will allow the mills time to discount the future more accurately. At present they are engaged on ample orders in hand for spring and summer. There were no sales recorded, either in common or preferred, this week.

DOMINION TEXTILE

A little trouble has developed over a threatened strike at the Kingston mill of the Dominion Textile Co., and efforts at a settlement have been made by the management. In general the mills are busily engaged on spring production, and this will keep them at work until the end of the fiscal year on March 31. Larger sales and higher profits are looked for in the annual report. Prices of common tended to be slightly easier, ranging between 101½ and 101, while preferred held up well at 101.

MONTREAL COTTONS

For a time Montreal Cottons preferred held the centre of interest, but this week it shifted to the common and several board lots went through. All these were at 60, higher on the average than for many weeks. There is still talk of an increase in the dividend from 5 to 6 per cent. in a few months.

PENMANS

Uncertainties as to future prices, it is understood, are influencing orders received by Penmans, as well as most other knit goods firms, for deliveries many months hence. However, for a long time to come it is felt that the domestic trade must depend for the most part on local mills, and this will compel, even an unwilling purchaser, to act within reasonable time. It must be counted as a strong asset of Penmans that their lines have taken a firm hold on the Canadian trade, and this will count greatly to their advantage. A few shares of common were sold at 79, an improvement of 1½ points over the price ruling a couple of weeks ago.

WABASSO COTTONS

The stock of Wabasso Cottons stood strong this week, selling up to the high for the year so far, 60, which is within 1 point of its best. This company has made a very favorable impression during the war, and will reap the advantage in a preference among Canadian consumers, even when competition becomes stronger.

BELDING-PAUL-CORTICELLI

The annual meeting of Belding-Paul-Corticelli, in a couple of weeks, will receive a report of larger earnings than last year, and the policy of paying off arrears of preferred dividends at the rate of 14 per cent. a year can, and no doubt will be continued, as a result of the excellent results during 1918. Within two years the full amount of past dividends, including, of course, current ones, will be paid up.

MILLING

Curtailment of Export Business Will Be Particularly Hard on the Smaller Concerns

By J. L. RUTLEDGE,
Editor "Canadian Grocer."

The curtailment of the export business in flour, while it has seriously affected the larger operators, will be almost ruinous to the smaller mills. It is interesting to note that these small mills have been doing a very appreciable part of this business, and have become more or less dependent on it with the decline in the domestic trading in feeds. This fact might be used as a refutation of the selfishness of the larger milling interests. Unquestionably the smaller mills could have been squeezed to the wall. The fact that they have not been is an indication that not only were they permitted to seek this business, but were assisted in getting it.

The removal of the restrictions on trading with the West Indies, South and Central America came some weeks too late. The American Government has forestalled any possible profit from this source by their earlier withdrawal of restrictions, and the advantage this gave them to supply these markets. The result is that these countries are still loaded with American flour. The only thing that could improve the situation to any extent would be the removal of restrictions on trading with the United States by increasing the market price for mill feeds and by so doing making it possible for the mills to continue business. It would mean higher prices of feeds for the farmer, but it would mean at the same time a readier market for his wheat, and with rougher grains at their present price he could feed them without any material loss. There are also, of course, the Government's substitute feeds for the farmer to fall back upon. There does not seem any great eagerness, however, to take this last step. This venture has not proved a marked success from the sales standpoint, whatever may have been the results in the way of increased knowledge. It is stated that the Government has had to dispose of a good part of these purchases in the United States, without ever bringing them into Canada.

	Last Jan. 23	Sales Jan. 30	Change
Can. Bread, com.	23	22½	— ½
L. of Woods, com.	*165	*165	...
Do., pref.	106	*106	...
Maple Leaf, com.	127¾	121½	— 6¼
Do., pref.	98¼	96½	— 1¾
Ogilvie Flour, com.	220	220	...
St. Law. Flour, com	*94½	*94½	...

*No sales this week.

MAPLE LEAF

The common of the Maple Leaf Milling Company continued to move downward during the past week, though there was no very substantial slump. The selling movement was evidently induced by the temporary loss of export business, and the impression that this would be a charge against future profits. The price range for the week was 126¾ to 125, under selling amounting to 1,045 shares. There was also a decline in the preferred from 98 to 96½.

WESTERN CANADA

There is little change of note in the business of the Western Canada Milling Company during the past week, business continues to be very light, and there is no immediate prospect of any improvement.

OGILVIE MILLING

There was no movement in the common of the Ogilvie Milling Company during the past week, and apparently the upward movement of that stock has been stayed for the moment at least. In the preferred under light selling there was a slight advance to 107¼.

PULP AND PAPER

While Market is Quiet, an Improvement in Tone is Noticeable

By W. A. CRAICK.

There is not a great deal doing in a market way in the pulp and paper group, but what trading has taken place this week has been on a somewhat firmer basis. Presumably, the outcome of the newsprint appeal case has been regarded as favorable to the interests of the paper companies, and the weakening tendencies last week have given place to a feeling of greater confidence in the ultimate result. On the whole, however, it can scarcely be said that the public are eager to buy shares in the paper companies at the present time.

The paper control tribunal followed up its hearing of the appeal case with an interim judgment, which virtually refers back to Commissioner Pringle certain aspects of the case for further consideration. That is to say, the tribunal itself, while declining to take evidence, directs the Commissioner to take this evidence, and on this evidence to state what changes, if any, should, in his opinion, be made in the prices fixed by him. The tribunal will then receive further argument.

"We think," say the tribunal, "that it is important that the prices, when fixed by us, shall be final, and that all proper evidence, which either party may think important, should be before us." The tribunal specifies the matters on which it thinks that further evidence should be taken, these being those dealt with in the publishers' brief in the criticisms of the estimated cost of manufacture at the different mills, and the estimated increased cost of wood, labor and freight.

The date at which Commissioner Pringle will resume hearings has not yet been settled, as it is understood that Mr. Clarkson, whose attendance is so necessary, will not be available for some days. In the meanwhile, Mr. Pringle is to have a session in Toronto next Wednesday in connection with the investigation into the sale, price and supply of book and halftone news papers. The latter hearing is the fruit of the recent appeal to the Government by the users of these papers.

Trade returns for November—the first to be affected by the cessation of war—show a jump of $1,959,845 in the value of Canadian pulp and paper exports as compared with November, 1917. Of this amount, $1,325,999 is accounted for by increased export of chemically-prepared pulp. Trans-Pacific trade shows a considerable increase, Australia and New Zealand together taking 65,677 tons of printing paper, valued at $236,131, and Japan taking 64,594 tons of chemical pulp valued at $275,050. As cargo space becomes more available, exports to these countries should show a considerable increase. The total value of the month's exports was $8,166,466, made up as follows: Paper and manufactures thereof, $3,956,992; chemical pulp, $2,943,294; mechanical pulp $399,851; pulpwood, $866,329; total, $8,166,466.

For the first eight months of the current fiscal year the total value of pulp and paper exports, including unmanufactured wood, amounted to $65,411,601, as against $48,578,974 for the corresponding period in 1917, an increase of $16,832,627.

	Bid	Asked	Sale
Laurentide	193	195	192
Riordon	117¼	...	117¼
Spanish, com.	18½	18¾	18½
Wayagamack	51	52	51½
Brompton	...	61	60¼
N. A. Pulp	...	...	3⅛
Price Bros.	...	167	163
Toronto Paper	...	...	69
Smith, H., com.	...	65	65⅛
Provincial, com.	...	...	49
Do., pref.	...	...	83
Abitibi	...	50	50

LAURENTIDE

Not since November has the week's trading in Laurentide dropped to as low a point as it did this week, only 455 shares having changed hands during the week ending with Thursday. Most of the sales were made at 192, though on Tuesday the price firmed up to 194. On the whole Laurentide is holding up very well under market conditions that are none of the most favorable.

SPANISH RIVER

Strength in Spanish River shares this week may possibly be attributed to developments in the newsprint case. The common advanced from 17 to 18¾, closing on Thursday at 18½. The preferred, which was quoted around 63½ a week ago, went up to 67. As Spanish River is primarily a newsprint producer, its stock is susceptible to influence in the newsprint situation.

WAYAGAMACK

An analysis of the annual statement of the Wayagamack Pulp & Paper Com-

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pany will be found elsewhere in this issue. The company's stock does not appear to have been favorably affected by the report. Only 185 shares were dealt in, these selling at 51½, or on about a level with last week's quotations.

BROMPTON

Brompton shares responded to the more favorable sentiment this week by advancing from 59 to 60¾. The importance of this company will be enhanced by the election of its vice-president and general manager to the position of president of the Canadian Pulp & Paper Association, an event which occurred yesterday in Montreal.

NORTH AMERICAN

There was almost an old-time market in North American Pulp shares this week, over 10,000 changing hands. The price advanced as high as 3⅜, this being the high mark since last October. The close on Thursday was at 3⅛.

ABITIBI

A despatch from Cochrane states that for the last quarter of 1918, the Abitibi Power & Paper Co. produced about 16,884 tons of paper, in addition to 4,709 tons of sulphite pulp and 233 tons of ground wood pulp. This is at the rate of a total of 21,826 tons of pulp and paper quarterly, or approximately 87,304 tons annually. Of this enormous total some 67,536 tons is in the form of paper, 18,836 tons of sulphite pulp and 932 tons of ground wood pulp.

TRANSPORTATION

Reports Show Unsettled Operating Conditions in Canada and the United States

The earnings report of the Canadian Pacific for the year indicates the manner in which increasing operating costs are working against the margin of profit under the present schedule of transportation charges. If in the United States the forecast of Mr. McAdoo is correct and freight rates are reduced while wages are maintained at their present high level—a development which would find reflection in Canada—the problems of the railroads will be increased. Operating conditions are, therefore, very unsettled over the whole continent.

For Week Ending Jan. 21

	1919	1918	Change	%
C.P.R. ..	$2,949,000	$2,324,000 +	$625,000	26.9
C.N'l.R...	1,541,392	1,034,923 +	506,469	49.1
G.T.R. ..	940,925	565,504 +	375,421	66.4
	$5,481,317	$3,924,427 +	$1,506,890	38.4

Railroad operating income in the United States in 1918 showed the most erratic tendencies in comparison with the previous year in the history of American railways. As the result of diversion of traffic from normal channeds by Federal Directors and other conditions of Federal operation, operating income seemed to lose recognizable trend such as is usually noticeable; the totals, however, form the basis for definite conclusions. The point is that the different lines, considered individually, do not by any means contribute to the trend as a whole, some showing individual gains as remarkable as the general loss. Such a state of affairs can only be taken to indicate that the artificial methods of Government regulation have not worked out equitably.

Of the forty principal roads thirty show a loss from 1917 and ten a gain over that year. The decreases vary from 120.5% in the case of Western Maryland to 5.3% in the case of Northern Pacific. The increases vary from 298.0% in the cast of Boston & Maine to 7.4% in the case of Atchison.

Clifford Thorne, counsel for a number of shippers' organizations, declared before the Senate Interstate Commerce Committee that "Government operation is so distasteful to the shippers of the United States that, were a popular vote taken to-day, it would be defeated overwhelmingly. If the members of Mr. McAdoo's staff had deliberately planned to double-cross the Director-General and thereby to make Government operation so unpopular that it would tend to kill any possible movement toward Government ownership, they could not have adopted any more effective methods than those which actually have been adopted. I do not think for an instant that these railway officials have attempted to double-cross Mr. McAdoo, for they are honorable men. Unquestionably the emergency demands of the war were largely responsible for the situation."

CANADIAN NATIONAL

The Canadian National Railways report gross earnings for the third week in January amounting to $1,541,392 against $1,034,923 for the corresponding period in 1918, an increase of $506,469 or 49.1 per cent., while for the first three weeks of January the earnings totalled $4,255,864, a gain of $1,265,177. Following are comparative figures:

	1919	1918	Change	%
Jan. 7..	$1,294,039	$ 900,157 +	$393,882	43.7
Jan. 14..	1,420,433	1,055,607 +	364,826	34.7
Jan. 21..	1,541,392	1,034,923 +	506,469	49.1

For the month of December gross earnings of the Canadian Northern Railway totalled $5,043,300 against $3,273,200 for the same month in 1917, an increase of $1,770,100. Operating expenses at $4,433,100 leave net earnings at $610,200 which compare with $65,300 in 1917, a gain of $544,900. Following are comparative figures for the twelve months:

	Gross Earnings.	Operating Expenses.	Net Profits.
Jan.	$2,715,300	$3,290,300	*$575,000
Feb.	2,691,000	3,171,400	*480,400
March	3,436,300	3,255,900	210,400
April	3,958,100	3,416,800	541,300
May	3,762,000	3,381,100	380,900
June	4,031,100	3,516,900	514,200
July	3,739,400	3,462,700	276,700
Aug.	3,933,300	3,433,700	499,000
Sept.	4,050,900	4,109,000	*58,100
Oct.	5,175,000	4,355,500	819,500
Nov.	4,679,500	4,018,800	*660,700
Dec.	5,943,300	4,433,100	610,200

*Decrease.

From July 1, to the end of December, gross earnings totalled $26,621,400, an increase of $4,764,600 over the corresponding period in 1917, while net earnings amounting to $2,808,600, showed a falling off of $526,500.

Ottawa reports that the Canadian National Railways has acquired the Toronto Suburban Railway for the Dominion Government. It is understood the Government has paid not the replacement of the line value, but the cost value after a special audit of the company's books. The line and rolling stock have been handed over to the Canadian Northern Realties Company, which will operate the line from Guelph to Toronto under the charge of Ernest Oliver for the C.N.R.

CANADIAN PACIFIC

For the third week in January gross earnings for the Canadian Pacific Railway totalled $2,949,000 against $2,324,000 for the corresponding period in 1918, a gain of $625,000 or 26.9 per cent. Comparative figures for the first three weeks follow:

	1919	1918	Change	%
Jan. 7..	$2,856,000	$2,343,000 +	$513,000	21.9
Jan. 14..	2,891,000	2,368,000 +	523,000	22.1
Jan. 21..	2,949,000	2,324,000 +	625,000	26.9

The year's results showing the effect upon the company's net position in relation to the shareholders of increased cost of operation and government taxation are analyzed elsewhere in this issue.

When the first veterans returned to Canada from Flanders, the C.P.R. had already perfected its ready-made farm plan, says "Forbes Magazine." Briefly, the ready-made farm was to provide a place where the new settler could find a home and means of earning a living almost from date of entry. This meant furnishing the farm with house, barn, well, fencing and ploughing and sometimes seeding a portion of the land.

Easy terms and expert advice are the factors counted on to make this scheme a success. No payment is required of the soldier until the end of the third year of occupation, he being during this period a tenant at will. At the end of this time he must pay a rental equal to 6 per cent. per annum of the cost of the permanent improvements on the land and on any cash advance he may have drawn. If his tenancy has been satisfactory, he may then make a contract to purchase. This contract calls for a payment at the end of the fourth year of 5 per cent. of the purchase price, plus interest at 6 per cent.

GRAND TRUNK

Grand Trunk Railway gross earnings for the week ending January 21, amounted to $949,925 as compared with $565,504 for the corresponding period in 1918, an increase of $375,421 or 66.4 per cent. For the first three weeks of the month comparative figures follow:

	1919	1918	Change	%
Jan. 7..	$1,003,631	$ 773,848 +	$299,783	29.7
Jan. 14..	1,029,578	654,794 +	374,784	57.3
Jan. 21..	940,925	565,504 +	375,428	66.4

The Grand Trunk Pacific Railway reports gross earnings for the last ten-day period of December amounting to £32,627 against £39,962 for the corresponding period in 1917, a decrease of £7,335. For the last half of 1918 the receipts amounted to £738,002 compared with £762,176, a decline of £24,174.

For the first week of January the gross totalled £19,311, a decline of £3,503.

Howard Kelly, president of the Grand Trunk is en route to England by the Olympic, in company with E. L. Pease, vice-president of the Royal Bank, and George Drummond. Interviewed, Mr. Kelly said he was going over on his annual business trip in connection with the railroad.

CANADA STEAMSHIPS

An official of Canada Steamship Lines states that the reduction in ocean freight rates will not affect the company's boats in service overseas, as they are operated under a contract covering so many months after peace is signed. Thus the earnings would keep up for the greater part of the present year at least.

PUBLIC UTILITIES

Situation at Hamilton is Attracting Attention of Holders of Public Utility Securities

The situation at Hamilton in regard to the electric railway plans of Sir Adam Beck is attracting the attention of the holders of electric railway and other public utility securities. Defeated once in his effort to line Hamilton up to his ambitious—but questionably sound—schemes, the Hydro chairman has taken advantage of the present situation in connection with local electric matters in the Ambitious City to bring pressure to bear upon the people to pass the larger plans in order to secure assistance in the operation of a radial line to Burlington. Sir Adam is nothing if not a politician, even though his methods may be rather obvious and crude. His ultimatum is the whole $6,000,000 scheme, or no railway to the Beach.

There has been a change in the situation since Sir Adam made his last effort in Hamilton, however. Then he was opposing Mackenzie and Mann schemes. Now the Canadian Northern has become part of the Government system and he is up against a different proposition. Further, the Government ownership enthusiasts are for taking over the Grand Trunk as well, and in this event the question arises of competition between the public ownership steam rails now in existence and the public ownership electric lines, which are fabricated in the brain of the Power Knight.

THE FINANCIAL POST believes that at this time, before any such gigantic undertaking as that proposed by Sir Adam Beck is attempted, there should be a thorough inquiry into the projects now being carried out. Let us again point out that the Clarkson report is still not available.

DULUTH-SUPERIOR

Gross earnings of the Duluth-Superior Traction Company for the third week of January at $33,852 compared with $31,852 for the corresponding period in 1918, a gain of $1,933 or 6.1 per cent. The gain, while substantial, is not as heavy as during the second week when there was an increase of $2,224 or 7.2 per cent. Following are comparative figures:

January	1919	1918	Change	%
1st week .	$31,747	$31,853 —	$ 106	0.3
2nd week..	33,270	31,045 +	2,224	7.2
3rd week...	33,852	31,918 +	1,933	6.1

For the first three weeks the earnings totalled $98,870, a gain of $4,052 or 4.3 per cent.

WINNIPEG ELECTRIC

With a decrease of $22,160 in receipts and in increase of $41,608 in expenses, the Winnipeg Electric Railway Company made a poor showing for November. As a matter of fact the net earnings only amounted to $23,120 as compared with $86,888 in November of 1917. Following are comparative figures:

November	1918	1917	Change
Gross	$283,721	$305,881 —	$22,160
Expenses . ..	260,601	218,993 +	41,608
Net	23,120	86,888 —	63,768

For eleven months the gross earnings showed an increase of $213,466 at $3,252,863, but the net earnings at $702,371 showed a decrease of $46,605.

CANADIAN WESTERN GAS

The November statement of the Canadian Western Natural Gas Light, Heat & Power Company showed earnings of $122,575 an increase of $30,987. This compared with $72,095 in October which indicated a decrease of $4,552. As will be seen from the following table the November record showed a marked improvement over recent months.

	1918	1917	Change
July	$37,235	$35,331 +	$1,904
Aug.	36,558	35,232 +	1,326
Sept.	44,636	46,394 —	1,758
Oct.	72,095	76,647 —	4,552
Nov.	122,575	91,575 +	30,987

Figures showing earnings of Southern Canada Power continue to run well ahead of those of one year ago. The gross earnings for the three months ending Dec. 31 show gross of $144,648, an increase of $32,053, and net earnings $16,664 ahead. For December alone gross were $11,710 aheal with $51,091, and net at $23,442 showed an advance of $6,089.

Three mos.	1918	1917	Incr.
Gross	$144,648	$112,594	$32,053
Expenses . ..	78,192	62,804	15,388
Net	$ 66,455	$ 49,790	$16,664

Dec.	1918	1917	Incr.
Gross	$ 51,091	$ 39,380	$11,710
Expenses	27,649	22,028	5,621
Net	$ 23,442	$ 17,352	$ 6,089

DETROIT UNITED

It is reported that there are negotiations between Mayor Couzens, of Detroit, and President Brooks, of Detroit United, for the sale of the system to the city. According to the mayor, no price has been agreed upon, and valuations were not gone into except as to maximum and minimum figures.

The D. U. R., according to the mayor, wants the first payment sufficiently large so as to take care of its liabilities. This may mean that if the deal is to be consummated, the city will be compelled to pay more than was contemplated.

Mayor Couzens stated also that he would not be in favor of a price based on the reproduction value of the property. He is very much opposed to paying the present market value for the tracks, wires, cars and other equipment.

Chief Engineer M. M. O'Shaughnessy, of San Francisco, wired Mayor Couzens Saturday morning that he would leave the western city next Wednesday. He will probably arrive here one week from Monday. Upon his arrival the preliminary details will be gone into. Mayor Couzens expects to get much valuable advice from the western engineer. He will probably remain in Detroit for consultations until the plan for purchase has been definitely agreed upon.

MACKAY

In regard to the nature of the annual reports of the Mackay Companies a correspondent writes the financial editor of the Toronto "Globe": "The effect on public opinion in the United States of such business methods, of course, is detrimental to the Mackay Companies, and is certainly shown in the desire of United States shareholders to "get from under," even at a loss. It is time Canadian shareholders demanded from the trustees a certified balance sheet of all the subsidiaries, showing the particulars of the "very large surplus." And also an immediate change of the present policy. This is not the time, if there ever was one, when the 'rich young ruler' could play with a public utility."

Some improvement in the market for Mackay common has been indicated by sales up to 74 compared with the low dip to 71½ last week. The preferred has been selling at 65.

B. C. ELECTRIC

The jitney by-law passed by the Vancouver Council last June, and which was intended to abolish the jitneys and prohibit their operation after July 1, 1918, but which has been before the courts in the interim in a long drawn out legal battle, has been held to be valid by the Appeal Court of British Columbia.

This means that as far as the operation of jitneys within the city is concerned, the city has the right to prohibit them and prosecute any who persist in so operating.

The decision of the Appeal Court will have an immediate and positive effect on several pending cases against jitney men who have continued to operate in defiance of the by-law and of the courts without a license, as none have been issued since last June.

PORTO RICO RAILWAY

As previously reported by THE FINANCIAL POST on authority of President Thompson, the gross earnings for the Porto Rico Railway Company last year will establish a new high record by a considerable margin, while at the same time there will also be a substantial increase in the net profits. The light and power departments are making a very good showing and on the whole the year's results must be accepted as satisfactory.

In 1917 gross amounted to $902,392, an increase of $73,336, and net was $401,211, a decrease of $20,761. The balance carried forward at the end of 1917 amounted

Continued on page 6

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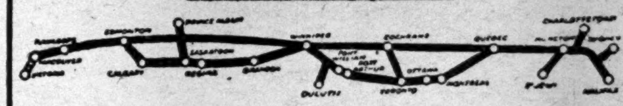

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1. Will the ending of the war help or hurt the price of such stocks as Baldwin, Bethlehem Steel, Midvale, etc.?
2. Are the coppers "peace" stocks or "war" stocks? What class do the automobile stocks come in? The oils?
3. Among the rails, are the standard dividend-payers or the low priced non-dividend payers the thing to buy?
4. As the war draws to its end, what is likely to be the course of interest rates? How will that affect the price of bonds?
5. Which are the best bonds to hold—the high-income producers or the old line investment issues?
6. Are short term notes or long term bonds the better proposition at present?
7. Does the putting into effect of the new tax law mean a general reduction in industrial dividends?
8. Can the stock market rise in the face of the tight money situation?
9. New influences on security prices are beginning to become operative. Do you know how to go about adjusting your investments so that you will be helped and not hurt?

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BOND DEALERS PUT ASSOCIATION ON SOUND BASIS

Appoint Seven Permanent Committees to Deal With Problems

Up to the present time the work of the Canadian Bond Dealers' Association has been interwoven to such an extent with the task of Government war financing that the organization has never had a good opportunity to establish itself on a permanent working basis. That opportunity has now arrived, and at the annual meeting of the association held on Wednesday of this week in Montreal, plans were adopted for carrying out a programme of work that will be of benefit, not only to the bond dealers themselves but to the investing public in general.

Strong Committees

Seven strong permanent committees have been appointed, each charged with the duty of looking after and safeguarding investment interests. Under the chairmanship of the new president of the association, Sir Augustus Nanton, of Winnipeg, a committee has been named to deal with federal legislation. A similar committee, divided into necessary sections, will handle Provincial Government legislation, its general chairman being J. A. Fraser, Dominion Securities Corporation, Toronto. A third and most important committee has been appointed to deal with municipal administration and finance, the maintaining and raising of the standard of municipal credit; of this committee, W. L. McKinnon, of W. L. McKinnon & Co., Toronto, is general chairman. A committee on public utilities and industrial financing has as its chairman, A. J. Nesbitt, of Nesbitt, Thompson & Co., Montreal.

Of a more purely associational character are committees on membership, on programme and on revision and amendments to the constitution and by-laws, of which Sir Augustus Nanton, R. C. Matthews and Edwin Hanson are respectively the chairmen.

In electing Sir Augustus Nanton to the presidency the association not only recognized Sir Augustus' personal qualifications for the office but paid tribute to the increasing importance of Western Canada, both commercially and financially. It was felt that the election of a western man would help to cement the good feelings already existing between the eastern and western membership and assist in the solution of the various problems affecting both parts of the country.

The New Executive

The new vice-presidents are A. P. Frigon, of St. Cyr, Gonthier & Frigon, Montreal, representing the eastern section; J. H. Gundy, of Wood, Gundy & Co., Toronto, the central section, and A. L. Crossin, of Oldfield, Kirby & Gardiner, Winnipeg, the western section. A. H. B. Mackenzie, of Mackenzie & Kingman, Montreal, was re-elected honorary treasurer; W. R. Fleming, Toronto, secretary, and Geo. Gonthier, Montreal, auditor. The other members of the executive committee are: Geo. Beausoleil, of Beausoleil Limited; A. J. Nesbitt, of Nesbitt, Thompson & Co.; Wm. Hanson, of Hanson Bros., and H. P. Thornhill, Montreal; James McMurray, Eastern Securities Co., St. John, and H. M. Bradford, Halifax; A. E. Ames, of A. E. Ames & Co.; J. H. Mitchell, Dominion Securities Corporation; R. C. Matthews, of R. C. Matthews & Co.; W. L. McKinnon, of W. L. McKinnon & Co., and C. H. Burgess, of C. H. Burgess & Co., Toronto; J. A. Anderson, of Edward Brown & Co., Winnipeg; George H. Sneath, of May & James, Regina; E. Taylor, of Loucheed & Taylor, Calgary; Stanley Burke, of Pemberton & Son, Vancouver.

The membership of the association was increased to 76 during the year by the election of 11 new members, and is now divided as follows: Eastern section, 31; central section, 28; western section 17.

There were about 50 members present at the meeting with representatives from as far west as Regina and as far east as Halifax.

NEWS OF SECURITIES

Continued from page 4.

to $123,084, after bond interest and $100,000 reserve for depreciation.

LONDON RAILWAY

The London Chamber of Commerce has given approval of the service-at-cost plan of operation for the street railway. The principal speaker was F. E. Fredericks, of Toronto, director of the Association of Holders of Public Utility Securities, who reviewed the history of the street railway industry in America from the days of horse cars. At the conclusion of Mr. Frederick's address a motion to depute a committee to report on the application of the scheme to London's conditions was unanimously approved.

BARCELONA

The market for Barcelona eased off this week, the price which last week declined from 12 and above, dropping as low as 10. Uncertainty regarding conditions in Spain is believed to be the reason for the weakness.

BRAZILIAN TRACTION

Brazilian received a fair amount of attention during the week considering the general condition of the market and sold down to 51 and below. There was no particular news regarding the situation but the market was very narrow and offerings not readily absorbed.

OTTAWA RAILWAY

The Ottawa Electric Railway Company has made an offer to sell to the city at a price of, in round figures, $6,500,000, and has given an option to May 1 at this price. This price covers all the holdings of the company, including Britannia Park and the Rockliffe right-of-way. The matter has been under negotiation with the Board of Control for some time. In view of the overwhelming majority in favor of the purchase of the street railway and its operation by a Commission, when the questions were submitted to the electors at the January elections, the City Council will doubtless approve of the recommendation. The company's franchise expires in five years, so that the price which the city should be called upon to pay is the value of the physical assets, plus any profits which the company would make during the balance of its franchise.

An improvement in the quotation for Ottawa Light stock from 75 to 80 is probably a reflection of the developments in the situation between the city and the railway company.

TWIN CITY

The annual report of the Twin City Rapid Transit Co. for the year ended December 31, 1918, shows surplus after taxes and charges of $691,302, according to New York advices, equivalent after deduction of preferred dividends, to $2.18 a share earned on the $22,000,000 common stock, as compared with $6.03 a share on the stock in the preceding year.

Traction lines are not the only ones suffering from the high cost of living for public utilities. Twin City Rapid Transit, operating in St. Paul and Minneapolis, reports total operating revenue of $9,695,980, against $10,181,867 in 1917, and net income of $691,302, compared with $1,558,050 last year. The company has $3,000,000 7 per cent. preferred and $22,000,000 common, on which dividends have been paid in each year since 1899. From 1906 to last year the rate was 6 per cent. when it was reduced to 1 per cent. quarterly in April (and the July payment was passed). On January 1 a payment of 1 per cent. was made, making 2 per cent. out of 1918 profits. Common and preferred disbursements at current rates call for $650,000. The preferred sells around 80, at which its yield is over 8½ per cent. In the years prior to 1916 the common sold as high as 117½, but gradually declined to 32 last December. The last sale was around 41. The trouble is low fares.

After dropping as low as 40 as indicated at last report there has been a better market for Twin City and an advance to 44½ has been made. The opinion is growing with regard to this and some of the other utilities that the future can hold nothing worse than the past and that with the war over there should be some chance for improvement.

TORONTO POWER

The dispute between the Toronto Power Company and the Hydro-Electric Commission, involving between $135,000 and $150,000 in connection with power supplied to the Ontario Power Company, a Hydro concern, under an order by Sir Henry Drayton, power controller, is now before the courts. The argument is most involved from the technical standpoint and is based, largely upon power measurements by seller and buyer. The Ontario Company complained that the prices were unduly high and tendered the amount they thought proper. The Toronto Power Company refused to accept the part payment, and when they threatened to cut off the power, the Ontario Power Company secured an interim injunction preventing them from cutting off the supply, and the amount in doubt was paid into the court. As no settlement was reached, the Ontario Power Company continued paying the amount in doubt into the court.

TORONTO RAILWAY

The suggestion by Chairman McIntyre of the Ontario Railway and Municipal Board that the Toronto Railway Company and the City should get together at once on arbitration proceedings and that the municipality should take over the system immediately, instead of delaying until 1921 when the franchise expires may have the effect of bringing negotiations to a head. The difficulty is that the company officials and the city authorities are so suspicious of each other that it seems impossible to bring them together except in the courts. If Chairman McIntyre were to take up the role of mediator something might be accomplished.

The main point as to the attitude of the city in regard to taking over the system appears to be one of finances. In this connection there would seem to be reason for believing that some arrangement might be worked out between the present stockholders and the city by which the money now invested would be used rather than new finances raised by the municipality.

The annual meeting of the company is to be held next week, but there are no startling developments looked for unless the recent decline in the stock causes a further demonstration by the shareholders who have in the past at various times demanded more information regarding their property. Last year Hermann Pitts was the leader of the little insurrection but since then he has become a director and from his circular recently issued now endorses the administration.

The market for Toronto Railway stock showed no stimulus under the influence of the events of the week. The price which up to last report had registered a low of 46 showed further weakness and sold down to 44½.

A decrease of $38,380 in operating expenses was the feature of the November report of the Toronto Railway Company and subsidiary enterprises. The total gross earnings of $1,071,106 showed an increase of $19,106, while as the result of the decrease in operating expenses the net earnings of $486,042 showed an increase of $57,486.

November	1918	1917	Change
Gross	$1,071,106	$1,052,000	+$19,106
Expenses	585,064	623,444	— 38,380
Net	486,042	428,556	+ 57,486

For eleven months the gross earnings of $11,716,181 showed an increase of $729,183 and the net at $5,371,256 an increase of $339,080.

WINNIPEG ELECTRIC

Selling around 35 to 36⅜, there was practically no change indicated this week in the market for Winnipeg Electric, although last week nothing better than the lower figure was recorded. General Manager McLimont has been east conferring with Sir William Mackenzie and it is possible that some announcement of importance may be made in the near future.

BELL TELEPHONE

Notwithstanding the many difficulties to contend with during the past four years the Bell Telephone Company made progress. According to the report of Finance Commissioner Bradshaw, subscribers increased in number by 27.1 per cent., conduit miles increased by 29.1 per cent., single duct mileage increased by 32.3 per cent., and wire mileage by 52.1 per cent. The expansion in service, however, he held indicates that the company approaches a time when new capital may be required. In the opinion of the Finance Commissioner new capital for the company would be obtainable without difficulty should a call be made for it. Increased earning power of the company, and prospects for reduction of expenses due to lowering of cost of materials, etc., are noted in this report which is brought to bear against the proposed rate increase for telephone users, opposition to which is loud in some quarters, though an expert brought before the Railway Commission by the City of Montreal has declared the company should get a million a year more revenue.

MINING STOCKS

Market Quite Strong and Active, Particularly Among Silver Stocks

By W. A. CRAICK.

The week has been one of special activity in two or three of the silver issues, but the market generally has been strong and buying orders have been pretty well distributed. A good deal of optimism prevails as to the outlook for the gold and silver mining companies, and the public are in the market for these issues to a much greater extent than for some time back. At present, probably, the silver stocks have the call, the gold stocks being rather quiet, but there is no question that there will be an early revival in the latter just as soon as some favorable development occurs to revive interest in them.

A number of new gold mines will be added to the list of 1919 producers, states the mining editor of the Toronto "News." Among these are formerly producing properties, the Tough-Oakes, Teck-Hughes, Schumacher, Vipond-North Thompson, and Dome Mines. The Davidson Gold Mines with its enlarged equipment has been brought to a high standard of efficiency, and the mill will be started in a thorough-going manner almost immediately. The property, considering the large bodies of ore in reserve, and the new ore bodies opened up, should make a good showing as a gold producer this year. In Kirkland Lake Camp, the Burnsides and Kirkland Lake companies will be producing gold by March. With all these companies turning out gold, 1919 will be a banner year for gold production in Canada. Ontario's contribution should be at least $1,690,000, an increase of six millions over the 1918 record.

During the week ending Jan. 24th three Cobalt companies each shipped one car of ore, as follows: Buffalo, 1 car, 110,000 pounds; McKinley, 1 car, 84,879 pounds; Bay, 1 car, 65,571 pounds; total, 3 cars, 260,450 pounds. During the corresponding period the Mining Corporation was the only bullion shipper sending out a total of 73 cars containing 72,865.45 fine ounces.

	Last	Sales	
	Jan. 23	Jan. 30	Change
Adanac	.16	.19	+.03
Beaver	.43	.42½	—.00½
Dome	12.15	11.70	—.45
Dome Ext.	.24	.24	...
Hollinger	6.25	6.25	...
McIntyre	1.79	1.77	—.02
Mining Corp.	2.25	2.25	...
Newray	.16	.16	...
Nipissing	8.70	8.90	+.20
Temiskaming	32	.32	...
Vipond	.23½	.23½	...
West Dome	.15	.14¾	—.00¼
Smelters	.25	.25	...

SCHUMACHER

A revival of interest in Schumacher was responsible on Thursday for putting the stock up several points. It is stated that there is a likelihood of this promising property being taken over by one of the larger companies.

NIPISSING

The Nipissing Mining Company has issued a statement along with dividend cheques for the quarterly dividend of 5 per cent. and 5 per cent. extra, making known its financial standing as of January 2, 1919. It shows the following: Cash in bank (including Canadian war bonds), $2,545,063; value of bullion and ore in transit and at smelters, $647,628; value of ore on hand and in process at mines, $797,019; total, $3,989,711.

TEMISKAMING

The annual report of the Temiskaming Mining Company for the year ending December 31, 1918, shows total revenues of $245,789, thus leaving a profit of $135,394.

The company showed strength in current assets, the total being $870,114. Liabilities to the public were $18,369. In the balance sheet the profit and loss credit stood at $922,837. The company paid no dividends in 1918. Its current assets consist of the following:

Cash	$111,997.99
Inventories	28,185.62
Unexpired insurance	1,297.90
Accounts receivable	2,796.15
Dom. of Canada war bonds, $700,000	698,215.90
Ore on hand, estimated	27,620.92
	$870,114.48

PETERSON LAKE

For extension of plant and to develop their large area, the Peterson Lake Silver Cobalt Mining Company announce a new issue of $100,000 preferred shares of capital stock. The circular making the announcement points out that the company must have sufficient capital to carry on its milling and mining operations. During the late summer and in the autumn the company was engaged in the milling of tailings, and at the approach of winter suspended operations. The equipment of the mill exhausted the company's limited means, and left them practically without working capital.

"If we could increase our tonnage per day," says the circular, "we would increase our profits, and this could be done by increasing the efficiency and capacity of our plant." It is proposed to remedy this condition, put the machinery in shape, and resume operations as early as possible. At the same time, the circular points out, "the future of this company lies in one direction, and in one direction only, namely, in developing our large area." Under the plan every holder of common shares will be entitled to subscribe at the rate of one share of preference stock for every twenty-five shares of common stock. A meeting will be held in Toronto on February 3, to ratify the by-law providing for the issue.

A financial statement for six months ending October 31 last shows ore receipts, $1,704; cash received at head office, $16,053, and disbursements at mine, $24,404.

OTHER STOCKS

AMERICAN CYANAMID

Proxy forms are being mailed to the shareholders of the American Cyanamid Company, whose stock is traded in on the Toronto Stock Exchange for the purpose of obtaining votes for the special meeting called for February 4th at 281 St. John Street, Portland. Accompanying the proxy form is a circular issued by the Southern Investment Company of New Jersey, and signed by its president, J. B. Duke. The object of the meeting is explained in the circular as "for the purpose of acting upon a proposition which will be presented to distribute a portion of the profits of the American Cyanamid Company for the year 1918 to and among the valued officers and managers in recognition of their services, as compensation in addition to their monthly salaries." The special committee, of whom J. B. Duke is one, desire about $149,000 for distribution. The circular is addressed to the president, secretary and shareholders of the company.

BRANDRAM-HENDERSON

The fiscal year-end of Brandram-Henderson has been changed from Nov. 30 to Dec. 31, so that the annual meeting which usually is held in February is not likely to take place until March. The Company will show a good increase in earnings, one of the sources being the Pacific Coast business, from shipbuilding orders.

F. N. BURT

Further strength for F. N. Burt common was shown during the week when the price, which had advanced from 71 to 75, went up as high as 81 and retained practically all of the gain. The preferred came into the trading and sold from 90 to 92 with the tendency towards the higher figure. As reported last week the company's statement will make a very good showing and it is rumored that there are some important developments to be announced in the near future.

CANADIAN WESTERN LUMBER

Sales of lumber of the Canadian Western Lumber Company during the month of November at $179,722 showed a decline of $30,503. Lumber manufactured showed a decrease of 2,951,398 ft. and lumber sold of 1,811,401 ft. For eleven months production was reduced by 12,641,000 ft. and sales by 17,994,000 ft. However, despite the great decrease in sales there was an increase of $123,719 in price realized, the total being $2,528,033. Following are five months' figures:

	1918		1917	
	Feet Sold	Price Realized	Feet Sold	Price Realized
July	8,934,000	$234,092	12,810,302	$304,504
Aug.	7,325,000	198,065	9,331,366	230,218
Sep.	7,311,000	207,215	7,799,263	192,143
Oct.	7,611,000	211,060	8,090,483	201,659
Nov.	6,878,000	179,722	8,689,401	210,225

CANADA CEMENT

The Canada Cement Company enjoyed prosperity during the war. As a result its earnings have been high and it has built up a strong financial position, as is shown in the following comparative table:

	1918	1914	Inc.
Cur. ass.	$5,391,985	$3,713,404	$1,578,581
Cur. liab.	634.398	3,220,960	*2,586,562
Work. cap.	4,657,587	492,444	4,165,143

*Decrease.

Recently business has been slack, due to the cessation of war orders. New peace business is already in hand, however, and it is anticipated that the near future will bring plenty of new orders. Prospects look good for the cleaning up of munition contracts that the company had with the Imperial Munitions Board. It is learned that the Canadian authorities have agreed to make an immediate settlement for a large percentage of what is regarded as the absolutely justifiable claims of the company, that is those that can be readily checked over. This will provide the company with a large amount of additional immediately available assets to carry on special plans the company has for the reconstruction period.

Trading during the week in the company's common stock has been in comparatively small volume with the price easing off from a high of 65½ to 64. The preferred sold at 96 to 96½.

CITY DAIRY

For the first time this year City Dairy common came into the trading this week when the common sold at 48 on a small transaction. The last previous sale was early in December at 50.

DOMINION CANNERS

The canned goods situation in Canada is in a very unique position, practically every case of goods is out of the hands of the Canadian canners, and whatever stocks will remain in producers' hands must be in those of independent canners who represent, roughly, 20 per cent. of the total pack. This condition has been in a measure due to the fact that export business has developed and has taken up practically all the margin of canned fruits that is usually carried over into the late spring. Of course, wholesalers and retailers are carrying heavier stocks than they have been accustomed to in the past two or three years, but these stocks are not sufficiently heavy to cause any likelihood of holdovers, so that the canners will close their season with a clean cut business, made at apparently profitable figures, while they face another season, that gives every indication of being equally satisfactory.

INTERNATIONAL PETROLEUM

Rumors of a melon in contemplation circulated by Wall Street helped the market, there being sales on the Toronto Exchange at $21.50 as compared with $19.25 in the first week of the year.

Manufacturers

who are seeking an ideal location should look into the special advantages of

Hull, Canada

THE City of Hull is in the Province of Quebec, just across the river from Ottawa, the Capital of Canada.

Within a 2½ mile radius is a population aggregating 150,000, which provides an ample supply of skilled and unskilled labor for all kinds of manufacturing industries.

Hull's municipal tax rate is 12½ mills on the dollar.

Electric Power is locally developed at Chaudiere Falls and sold at the lowest rates obtaining in Canada.

Hull offers good shipping facilities by rail or water and close proximity to great supplies of minerals.

15 years exemption from taxes on improvements.

15 years fixed assessment on land. Cheap sites for new factories.

Water-front sites with private power-development privileges. Navigation to Great Lakes and Atlantic Seaboard.

From a social point of view also, Hull is most desirable. Right across the river is the City of Ottawa, with its clubs, theatres and similar institutions for promoting the amenities of civilization.

The only golf and country clubs are on the Hull side of the river. Within an hour's motor ride along good roads, abundant fishing and hunting are to be had.

Every manufacturer who desires fuller particulars and specific information relating to the suitability of Hull for his particular class of industry is invited to write.

W. F. HADLEY
INDUSTRIAL COMMISSIONER
HULL, CANADA

REORGANIZATION OF THE MEXICAN NORTHERN POWER

Bondholders Are to Get a New Issue of Common Stock

COMPANY'S OUTLOOK

Receipts From One Customer Sufficient to Pay Running Expenses—Everything Depends on Conditions

Under a scheme for reorganization which has been assented to by the prior lien noteholders and has been favored by the committee representing the bondholders it is proposed to wipe out the $12,600,000 of common stock now outstanding, make a new issue of common of $10,000,000 to the holders of the first mortgage bonds and an issue of $3,000,000 to take up the $2,000,000 of prior lien notes. According to the president, W. K. Ross, it only remains now for the bondholders to confirm the action of the committee acting in their behalf to insure the reorganization going into effect.

Although the holders of the $10,000,000 first mortgage thirty-year 5 per cent. gold bonds find that they are now offered only an equivalent in common stock and that their holdings of old common stock have been wiped out, the situation is more favorable than might at first appear. The original issue of common stock was "water" which went as a bonus. The present common stock is a first charge after the preference stock just as the bonds were a first charge after the prior lien notes. About the only real change in relative position to assets and earnings is that the note issue has been increased by $1,000,000 in the process. This concession to the note holders is in consideration of the fact that when the conditions with regard to the issue were not fulfilled they were in the position of holding a first mortgage which they could foreclose. For the future there will be no mortgage on the property, which is now paying its operating expenses and earnings will be for the benefit of the common shareholders just as soon as there is surplus above the interest requirements on the preferred stock.

History of the Company

The company was incorporated in 1909 and preliminary work prosecuted through 1910. Up to this time for thirty years Mexico has maintained a reputation for political stability. The difficulties of the company began early in 1911 when revolutionary activities began and when heavy floods did considerable physical damage to the property. During the latter part of 1911 plans were reorganized and carried forward with success until the early part of 1913 when a new revolution broke out of such a character as to cause serious loss; the project was closed down in August of that year.

The extraordinary difficulties were a heavy drain of expense upon the company and bond interest was defaulted in July 1913, shortly after permission for the issue of the prior lien notes had been granted. Additional capital was necessary to bring the works to such a state as to weather the flood season of 1914. Few subscriptions were received from the bondholders to whom the notes were first offered and the capital had to be secured from other sources.

The Present Situation

With the new funds further progress was made, and in September 1915 the property had been brought to a state where the company stood in a position to deliver power. Just at this time serious political troubles again broke out and all Americans were ordered out of Northern Mexico. Only one company remained in the district, and it has since continued to use power while there is energy available for others just as soon as conditions clear to the extent that activities can be resumed.

The receipts from this one company have been sufficient to pay the operating charges. Little capital expenditure is now anticipated except to extend the distribution system to meet new customers. If conditions, therefore, return to a state anything like normal the outlook for profitable operations is bright and with only $3,000,000 of preferred stock to take care of there is reasonable hope for something substantial for the common shareholder.

Representative Heflin, of Alabama, charges that operators on New York Cotton Exchange are violating "cotton futures act" and have beaten the price down from 37 to 24 cents a pound in the face of a world demand which cannot be met from available supply.

CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing on Jan. 31 in stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings % 1917	Dividends 1915	Dividends 1916	Dividends 1917	Last Dividend Date 1918-19	Rate	Yield to Jan. 23	BANKS	Range 1915 High	Range 1915 Low	Range 1916 High	Range 1916 Low	Range 1917 High	Range 1917 Low	Range 1919 to Jan. 16 High	Date	Low	Date	Close Jan. 31 1918 Ask	Close Jan. 31 1918 Bid	Close Jan. 30 Ask	Close Jan. 30 Bid	Week ending Jan 30 High	Low	Close	Sales	Minimum
4,866,666	3,017,333	428,844	13 70	7	7	8	5th Oct.	s. 4	4.84	British North America	145	145	112	110	112	112													112
15,000,000	13,500,000	1,332,074	17 58	10+2	10+2	10+2	3rd Dec.	2½+1	4.73	Commerce	205	203	203	183	188	182½	215	Jan. 9	202	Jan. 2	185		205		214	211	211	26	185
6,000,000	7,000,000	393,004	17 75	12	12	12	2nd Jan.	q. 3	5.47	Dominion	229½	227	220	204	212½	202	216	Jan. 16	210	Jan. 3			219		219	219	219	4	202
3,000,000	3,300,000	232,421	19 95	12	12	12	2nd Dec.	q. 3	5.91	Hamilton	208	201	197	246¾	192	184	209	Jan. 15	200	Jan. 9			202	200	203	200	200	57	184
4,000,000	3,700,000	45,022	14 13	9	9	9	3rd Dec.	q. 2¼	5.08	Hochelaga	150	149	149	145	145	140	148	Jan. 15	147	Jan. 13	140								140
7,000,000	7,000,000	1,204,942	16 92	12	12	12	1st Feb.	q. 3	5.71	Imperial	214	210	203	180	200½	185	203½	Jan 9	202½	Jan. 2			210	208	208¾	209	208	13	185
1,946,806	300,000	145,238	11 15	7	5	5	2nd Dec.	q. 1¼	4.42	Home Bank																			
7,000,000	7,000,000	437,973	17 66	10	10	10	1st Feb.	q. 2½	5.78	Merchants	180	180	180	150	170	167	190	Jan. 14	180	Jan. 2	167		190½	188½	190	190	190	2	167
4,000,000	4,800,000	151,826	15 38	11	11	11	2nd Jan.	q. 2¾	5 50	Molsons	202	200	195	182	186	179½	180¼	Jan. 6	179½	Jan. 3			200	196	195	195	195	1	179¾
16,000,000	16,000,000	1,664,893	15 48	10+2	10+2	10+2	2nd Dec.	q. 2½+1	4.62	Montreal	240	234	240½	219	234	210	216	Jan 2	215	Jan. 11	210		216	213	216½	215⅞	215⅞	433	210
2,000,000	2,000,000	59,965	20 88	8	8	8	1st Feb.	q. 2½	6.08	Nationale	132¾	132¾	134	134	149	134													148
6,500,000	12,000,000	560,269	19 92	14	14	14	2nd Jan.	q. 3½	5.42	Nova Scotia	265	261	261	254	257½	248½	256	Jan. 10	255	Jan. 4			270		272	260	270	122	201
4,000,000	4,750,000	118 179	15 40	12	12	12	2nd Dec.	q. 3	5.82	Ottawa	207	207	204	202	202	200	206	Jan. 7	203	Jan. 4									198
12,911,700	14,000,000	564,264	18 02	12	12	12	2nd Dec.	q. 3	5.53	Royal	223	221¾	221¾	210	214	208	214	Jan 2	213	Jan. 2	208		213		212½	212	212½	73	208
3,453,240	4 453,290	175,216	19 08	13	13	13	1st Feb.	q. 3¼	6.51	Standard	220	215	221	211½	215	200	215	Jan. 13	209½	Jan. 7			211½		210	210	210	37	208
1,216 932	350,000	0.873	15 38	6	6	6	15th Nov.	q. 1½	6.12	Sterling	98½	98																	
5,000,000	6,000,000	555,306	16 05	11	11	11	2nd Dec.	q. 2¾	5.44	Toronto	211	207	215½	190	192	187½	200¾	Jan. 14	193	Jan. 6				202	203	201	201	43	187
5,000,000	3,400,000	106.624	15 26	8+1	8+1	8+1	2nd Dec.	q. 2¼	5.62	Union	140½	140	140	132	142	135	171	Jan. 7	161	Jan. 3		140	162	160	160½	160	160	26	136

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Last Dividend Date	Rate	Yield	Name	1915 High	1915 Low	1916 High	1916 Low	1917 High	1917 Low	1919 High	Date	Low	Date	Close 1918 Ask	Close 1918 Bid	Close Jan. 30 Ask	Close Jan. 30 Bid	Week High	Low	Close	Sales	Minimum
27,450,000	8,483,500	50,867,325							Barcelona, T. L. and P.	17⅜	7⅜	17	19	17	8	13¼	Jan 10	12½	Jan. 2	9	8¾	10¼	10¼	[illegible]	10	10	465	
106,417,800		7,500,000	5,190,986	4	1	1st Mar. 17	q.1		Brazilian Traction L. and P.	59¾	45	62⅝	43	47¾	31¾	55	Jan 16	[illegible]	Jan. 10	40	38½	51½	51	52	50⅝	50⅝	816	32
	10,000,000			6	6	1st Jan.	q. 1½		Brazilian Traction, Pref.																			
12,000,000		7,896,366	2,374,754						Canada Steamships Lines, Com	20	6	45	16	45⅝	29¾	45⅞	Jan. 2	42¾	Jan. 14	[illegible]	41½	44½	43⅛	45	43⅛	43⅛	779	39⅝
	12,500,000			5¼	19.83	2nd Jan.	q 1¾	8.86	" " " Pref	76½	59	95½	89¾	93¾	71	79	Jan. 4	78	Jan. 3	75¼	74¾	78¾	78	79	78½	78½	731	72½
260,000,000	90,681,921	271,934,882	240,909,813	10	10	1st Jan.	q. 2½	6.25	Canadian Pacific Railway	195½	139¾	182½	163¾	167½	127¾	160	Jan. 9			149½	147½							
15,000,000		35,326,500	7,978,243	6¾	7¾	1st Dec.	q. 2	6.66	Detroit United	73	62	128½	69	128	104¾													102½
3,500,000	1,500,000	3,500,000	622,620		2	2nd Jan.	s. 1	4 87	Duluth Superior Traction Co., Com	60	55	49	37	51	40													41
12,331,000		4 562,000	1,726,008	3	3				Illinois Traction, Com																			35
	7,289,500			6	6	2nd Jan.	q. 1½	7.50	Illinois Traction, Preferred	93	91	91	87¾	89	79													80
20,000,000		16,381 333				1st Nov.'13	q. 1¾		Mexico Tramways Co.																			
25,206,800	12,603,400	87,369,600	19,911,878	7	7	15th Oct.	s. 3½		Minn., St. P. and S.S.M., com	126¾	116½																	
3,394,300		35,608,153	1,256,449	10	10	2nd Jan.	q. 2½	6.66	Montreal Tramways	220	220			181	144													150
9,000,000	4,465,500	14,075,000	2,428 908	5	5	15th Sept.	q. 1¼	6.84	Northern Ohio Traction	73	73																	
3,000,000		3,931,666	173,084			1st Oct. '14	p. 1		Porto Rico Railways Co., Com	51	45	49½	30	42	30													
	1,000,000			7	7	1st Jan.	q 1¾	8.75	" " " " Pref			30		80	80													
9,999,500		10,797,000	684,572			15th Jan.'12	q. 1 p		Quebec Railway L., Heat & P. Co.	20½	9½	45	14	35½	14¾	18¾	Jan. 3	18½	Jan. 7	15			18	18	18	18	370	15
12,000,000		2,957,200	6,273,472	8	8	2nd Jan.	q 1	8.69	Toronto Railway	117½	111	111	72	90½	58½	55	Jan. 4	49	Jan. 15	61	60	45	44½	45½	44	44½	281	58
22,000,000	3,000,000	20,263,000	1,285,804	6	6	2nd Jan.	q 1	10.00	Twin City, common	101	93	101	93⅜	95	53	41	Jan. 6	39	Jan. 2									
9,000,000		10,880,000	1,407,658			1st Jan.'16	q. 2¼		Winnipeg Electric	186½	180	110	90	81	36	45	Jan. 4	35	Jan. 16	48		35½	35	[illegible]	35	35	60	48

TELEGRAPH, LIGHT AND POWER UTILITIES

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Last Dividend Date	Rate	Yield	Name	1915 High	1915 Low	1916 High	1916 Low	1917 High	1917 Low	1919 High	Date	Low	Date	Close 1918 Ask	Close 1918 Bid	Close Jan. 30 Ask	Close Jan. 30 Bid	Week High	Low	Close	Sales	Minimum
18,000,000		11,149,000	2,181,025	8	8	15th Jan.	q. 2	6.15	Bell Telephone	159	140	152	140	150	129	130	Jan. 2			130		130		130	130	130	3	125
5,336,340				10	10	2nd Jan.	q. 2½	6.66	Consumers Gas	185	176	176	160	165½	147	150¼	Jan. 9	150	Jan. 4	150			150	150½	150½	150½	2	144½
1,900,000		2,999,813	177,747						Calgary Power																			
41,380,400			1,918,452	5	1½	2nd Jan.	q. 1¼	8.45	Mackay, common	70¼	65	69¾	64½	90	70¾	75¼	Jan. 3	73½	Jan. 16	76⅛	75½	73⅛	73	73¼	71⅞	73¼	630	
	50,000,000			4	4	2nd Jan.	q. 1	6.15	" preferred	46	46	15	15	68	59	65½	Jan. 10	65	Jan 7	60	59	65	64½	65	64⅝	65	1.2	
13,585,000	6,000,000	21,073,833	318 522			30th Dec.'13	th. q. 1		Mexican Light and Power Co., com																			
63,965,800			1,585,313		4	15th Nov.	q. 1	4.70	Montreal L., H, and Power Cons					82⅞	67½	88¼	Jan. 2	86½	Jan. 16	75⅝	75⅛	86	85¾	86	85¼	86	613	68½
3,483,520		1,275,000	805,499	6	6	1st Jan.	q. 1½	8 00	Ottawa, Light, Heat and Power Co.	123	120	95¾	92	92	69¾					69		80	75	75	75	75	40	69½
15,000,000		12 8 8 761	2 992 348	7	7	10th Jan.	q. 1¾	6.08	Shawinigan Water and Power Co.	139½	110	137	126¾	130½	107	116	Jan. 16	114½	Jan. 13	107½		115½	115¼	115⅝	115	115½	156	107¼

INDUSTRIALS AND MISCELLANEOUS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Last Dividend Date	Rate	Yield	Name	1915 High	1915 Low	1916 High	1916 Low	1917 High	1917 Low	1919 High	Date	Low	Date	Close 1918 Ask	Close 1918 Bid	Close Jan. 30 Ask	Close Jan. 30 Bid	Week High	Low	Close	Sales	Minimum
5,000,000	1,000,000	5,953,200	632,047	1¾	7	2nd Jan.	1¾	14.00	Abitibi Power and Paper, com					58½	48	49½	Jan. 15	48	Jan. 3				50	50	50	50	10	48
6,514,000	7,895,200		525,402						Amer. Cyanamid, com					30	19					23	21							
3,500,000		1,563,666	507,408						Ames Holden McCready Co., com	23	7⅞	35	19½	23½	12	28½	Jan. 9	26	Jan. 3			29	28	29	29	29	140	15⅜
	2,500,000					1st July '14	q. 1¾	9.33	" " pref	75	55	80½	52	61	47	73	Jan. 16	66	Jan. 3			76¼	71	75	75½	75	299	47½
4,265,600				4	4	21st Nov.	q. 1¼	10.41	British Col. Fish, com					56	35	49	Jan. 6	48½	Jan. 6									38½
7,000,000	2,000,000	1,524,000	319,825		5	7th Nov.	1¼	8.47	Brompton Pulp and Paper, com					59	38	61	Jan. 7	60	Jan. 3	42⅞	42¾	61		60⅞	59	60¼	276	[illegible]
750,000			497,863	6	6	2nd Jan.	q. 1½	8.00	F. N. Burt Company, com	72½	70	88	72	82	65	72	Jan. 3	71	Jan. 13				80	81	76	80	126	63
	1,975,200			7	7	2nd Jan.	q. 1¾	7.77	" " " pref	75	89	96	86	93½	86					84½		93	90	92	90¼	92	64	84
2,500,000		3,750,000	153,523		2	2nd Jan. '17	2		Canada Bread, com	31½	29	30	16½	20	13	23½	Jan. 11	22⅝	Jan. 16			22½	22	22½	21⅞	21⅞	155	
	1,250,000			7	7	2nd Jan.	q. 1¾	8.33	" " pref	90¼	90	90	87	86½	80								84	84½	84	84	26	8
13,500,000		7,055,073	3,746,999	4½	6	10th Jan.	q. 1½	9.23	Canada Cement, com	48½	28	73	37¾	69⅞	52	65⅞	Jan. 16	65	Jan. 2	57¼	56¾	64⅛	64½	65	64¼	64½	129	55¼
	10,500,000			7	7	16th Nov.	q. 1¾	7.29	" " pref	98½	89¾	9	86	95¾	90	96¾	Jan. 16	95	Jan. 2	90			94½	96¼	96	96	61	90¾
4,963,700		5,385,603	3,340,063			2nd June '14	s. 2		Canadian Car and Foundry, com	120	50	75	32	46⅝	17	31¾	Jan. 4	28	Jan. 2	18		30	28½	30	29	30	140	18½
	7,500,000					10th Jan.	q. 1¾	8.53	" " " pref	127	98	94	1¾	89	49	85⅝	Jan. 6	84¾	Jan. 9	50		83½		82½	82	82½	90	49½
1,733,500		399,000	541,711		3	15th Nov.	q. 1¼	10.86	Canadian Converters	34	34	46	34	43	39	46¾	Jan. 10					47½	47	47	47	47	145	43½
2,715,500		4,688,000	1,948,109	3	4	4th Jan.	q. 1¼	8.82	Canadian Cottons, Limited com	40	24	65	39	56	46½	68	Jan. 6	68	Jan. 6	48½								48
	3,661,500			6	6	1st Jan.	q. 1½	7.89	Canadian Cottons, Limited, pref	77	71	82½	75½	82	75	76	Jan. 10											
1,600,000	1,500,000		1,340,439	3	9	15th Jan.	s. 3		Canadian Fairbanks-Morse, pref.	95	95																	
960,000		366,100	1,128,281	10+9	12+3	15th Nov.	q. 3	6.25	Canadian Foundries & Forgings, co			217	170	263	150	192	Jan. 9											15
	960,000			7	7	15th Nov.	q. 1¾	7.21	" " pref			90	85	84	82													½
2,000,000		1,500,000	1,657,324		3	1st Jan.	q. 1½	9.67	Canadian Locomotive Co., com	64½	30	64½	51	64	52½	63¼	Jan. 2	62½	Jan. 10									56½
	1,500,000			7	7	1st Jan.	q. 1¾	7.77	" " " pref	90	78	99	81	91½	83	90½	Jan. 10	90	Jan. 14									82¾
2,805,500		9,500,000	4,305,934			15th Oct. '14			Can. Consolidated Rubber, com	91	91	91	84	99¾	90													90
	3,000,000			7	7	31st Dec.	q. 1¾	7 14	" " " pref	101	100	97	91	99¼	95	98	Jan. 16							98	93	98	10	97
8,000,000			4,466,293	8	8	2nd Jan.	q. 2	7.84	Canadian General Electric, com	128	90¼	121	108	115½	99½	104⅛	Jan. 8	103⅞	Jan 8	102	100	103	102½	102½	102½	102½	15	99½
	2,000,000			7	7	2nd Jan.	s. 3½	6 36	" " pref	110½	110	112	110	106	94½													
1,200,000		477 000	305,830						Carriage Factories, Limited, com	53½	35½	44	29¾	25	9¾													15
	1,200,800					15th July '15	q. 1¾	10.00	" " pref	81	75	75	60															58
565,000		61.612	90,802	4		1st Oct.'16	q. 2		City Dairy, com	100	98	98	89	30	30								48	48	48	48	18	30
	700,000			5¼		2nd Jan.	q. 1¾	8.33	" " pref.	102	98	100½	92	70	60													60
6 500,000			1,679,591	8+12	9¼+2	15th Nov.	q. 2	6.50	Dominion Bridge Co.	230	107	231½	160	170	125	123	Jan. 13											123
794,000		1,771,175	1,140,339			1st Apr.'14	q.		Dominion Canners, com	35	31	22	15	26	19	39¼	Jan. 11	37½	Jan. 13				36½	37	37	37	10	23¾
	2,290,600				7	2nd Jan.	q. 1¾	8.5	" " pref			65	61½	78	65	76	Jan. 10							82	80⅞	81	51	
37,097,700	7,000,000	21,206,777	15,562,286		4½	1st Jan.	q. 1½	10.00	Dominion Steel Corporation, com	51	19⅞	82	43	71¼	50¾	62½	Jan. 3	61¾	Jan. 13	55⅛	54½	59½	59	61	59½	59½	1,646	50¼
	5,000,000	13 861 880		7	7	1st Oct.	s. 3½	7.44	Dominion Iron and Steel, pref.	96	71	105	90	95	87½	95	Jan. 14	93½	Jan. 2	88			94½	94½	93½	94	113	88
15,000,000	3,000,000	6 162 000		7	7	1st Feb.	q. 1¾	7.44	Dominion Coal, pref	101	98	99	93	96½	88													94½
5,000,000		3,267,500	2,189,194	6	7	2nd Jan.	q. 2	7.92	Dominion Textile, com	77	64	90½	74½	89	76½	104	Jan. 4	100½	Jan. 2	84	82	101½	101	102	101	101¼	156	80¾
	1,940,600			7	7	15th Jan.	q. 1¾	6 93	" " pref	103	101	105	101	105	99½	101½	Jan. 4	101	Jan. 1	100								100
2,250,500		1,150,000	520,221						Goodwins, Limited, com	28	26	40	40															
	1,750,000					2nd July '14	q. 1¾	15.55	" " pref			75	40	45	45													45
747,500		236,000	1,141,337	6	6	2nd Jan.	q. 1½	6.00	Goulds Manufacturing Co., com					100	100													100
	747,500			7	7	2nd Jan.	q. 1¾	7 00	" " " pref					100	100													100
6 265,005	100,000		905,614						International Petroleum					15.30	11.60	19 50	Jan. 3	19 25	Jan. 8	13.50	13.25	21.50	20.00	21.50	21.50	21.50	10	
40,000,000		8,294,000	4,541						Lake Superior Corporation	9⅞	9⅞			24	10¼													
2,100 000		900,000	331,883	8	8	2nd Dec.	q. 2½	6.06	Lake of Woods Milling Co., com	137	129	136¼	122	130	120	165	Jan. 14	160	Jan. 10	120¼								120⅛
	1,500,000			7	7	2nd Dec.	q. 1¾	6 50	" " " pref	122	120	129	116	116	116													
9,600,000		656,443	1,783,458	8	10	2nd Jan.	q. 3	6.21	Laurentide Co	198	160	217½	176	195	152	198	Jan. 4	192	Jan. 10	154½	152¼	195	193	194¼	192	194	350	152
1,750,000	1,300,000	1,038,600	365,852		2	10th Jan.	2		Lyall Construction Co., com			93	25	80	53					62								62
3,000,000	1,766,800		190,908			30th June '13			A. Macdonald Co. com.	14	7	19½	10	15½	8	23	Jan. 9	21½	Jan. 10	14¼	14	22½	22	22¼	22	22	150	13⅛
2 500,000			1,572,508	9	22½	18th Jan.	q. 2½+1	7.81	Maple Leaf Milling, com	68	30½	122	100	115	90	137½	Jan. 2	133	Jan. 7			125	124	126¾	125	125	310	86
	2,500,000			7	7	18th Jan.	q. 1¾	7.14	" " " pref	98	88	108	93	103	91¾	96¼	Jan. 2	96¼	Jan. 8				97½	98	96½	6½	41	90¼
2,949,600		779,163	442,212	4	4	14th Dec.	q. 1	6.55	Montreal Cottons, Ltd., com	56	51	63	50	58½	49	59	Jan. 13					61	60	60	60	60	29	50
	3,000,000			7	7	14th Dec.	q. 1¾	7 00	" " " pref	100½	99	115	99	103	99								100	100	100	100	4	99½
1,275,000			527,504			1st Nov.'13	q. 1½		Monarch Knitting Co., com	27	25	40	25½	40	30					75		50	49	50	50	50	10	30
	750,000			7	7	1st Feb.	q. 1¾	8 75	" " pref	82	82	83	80	81	80	80	Jan. 13											73
2,000,000			2,331,209						National Steel Car, com					21	5	5¾	Jan. 9	5	Jan. 16				5¼	5¾	5⅝	5¼	45	
	1,500,000			3½		15th Jan	q. 1¾		" " " pref					78	17	26	Jan. 16	19	Jan. 2				28	27	26	27	50	
15,000,000		11,21 ,823	3 730,092		5+20	15th Oct.	s. 2½	8.33	Nova Scotia Steel, com	107	45¾	154½	93¼	128	66	66	Jan. 6											63½
	1,000,000			12	8	2nd Jan.	q. 2	7.61	" " " pref.	125	110	115	110	112	105	105	Jan. 10											
2,500,000		2,350,000	190.178	8+4	10⅓15	2nd Jan.	q. 3	5.45	Ogilvie Flour, com.	144	107	152	127⅞	158	137	224¾	Jan. 11	212	Jan. 9	149	146							140
	2,000,000			7	7	2nd Dec.	q. 1¾	6.60	" " pref.	120	113	116	44½	115	107									107¼	107¼	107¼	12	
750,000		575,100	183,497						Ont. Steel Products, com			45	19	34	18	28	Jan. 6	27¼	Jan. 4									22½
	750,000			5½	7+1¼	15th Nov.	q. 1¾+½	8.97	" " " pref			91½	73	74	74													
650,000			38,026	2	2	1st Jan.	s. 1	5.88	Pacific-Burt Co., com	31	28	29	20	40	28													34
	650,000			7	7	1st Jan	q. 1¾	9.09	" " pref	85	80	83¼	77½	82	79													77½
600,000			644,594	8+3	8+5	16th Sept.	4+2	7.75	Paton Manufacturing Co.					130	124													124⅞
2,150,600		2,000,000	2,807,867	4+1	4+1	15th Nov.	q. 1½	7.67	Penmans, Limited, com	62	49	78	60	73½	64	80	Jan. 11	77½	Jan. 4	65								65
	1,075,000			6	6	1st Feb.	q. 1½	7.05	" " pref	83	82	90	82	86	81½	95	Jan. 3											81⅞
5,000,000		5,923 764	2,220,239	6	6	2nd Jan.	2	4.90	Price Bros			132	60½	134	115	155	Jan. 11											120½
4,500,000		2,036,600	1,851,813	3½+1	6+4	15th Nov.	q. 2½	8.51	Riordon Pulp and Paper, com			150	59	127	106	117¼	Jan. 2					117¼		117¼	117¼	117¼	10	114¾
	1,000,000			7	7	31st Dec.	q. 1¾	7.44	" pref					95	90	94½	Jan. 9	94	Jan. 4									96⅝
1,500,000		437,000	503,082	6	1½	1st Apr.	q. 1½		William A. Rogers, Ltd., com	103	96	99	85	80	40													50
	900,000			7	7	1st Jan.	q. 1¾	7.77	" " pref.	99	99	99	87	92	90													60
800,000			47.581		7	1st Aug.	q. 1¾	8.33	Russell Motor Car, com	50	10	114	32	92	50													50
	1,200,000				29¾	1st Feb.	q. 1¾	9.33	" " " pref	76	25	139	66	122	72	75	Jan. 3	70	Jan. 10									68½
1,500,000		574,500	129,711						Sawyer-Massey Co., com	33	25	30	20	24	8													
	1,500,000					2nd June '14	q. 1¾		" pref	76	69	134½	58	41	40													40
4,000,000		1,873,200	1,746.698						Sherwin-Williams, com	57½	55	99½	53½	60	56	60	Jan. 3											60
	2,287,000			7	7	30th Dec.	q. 1¾	7.07	" " pref	100	98¾	100	97½	100	98	99	Jan 6											96
8,750,000			377,944	6+1	6+2	1st Jan.	q. 2	6.40	Shredded Wheat, com	102	92	140½	102¼	137¾	112													109½
	1,250,000			6	6	1st Jan.	q. 1½	6.74	" " pref	99	93	120	95	95	95													
1,062,500		300,000	114,473		4				Smith Paper Mills, Com					74½	66													65
	475,000				7	15th Jan.	q. 1¾	8.97	" " " Pref																			
8,000,000		10,332,113	1,071,301						Spanish River Pulp Mills, com	9⅝	3	24¼	3½	19	12½	18⅛	Jan. 3	17⅜	Jan. 2			19	18½	18¾	17	18½	390	50
	5,699,100					15th July '13	q. 1¾		" " pref	35	35	70	29	59¾	47	65⅛	Jan. 2	65	Jan. 3			65	63⅛	67	63½	67	768	
11,500,000		8,766,147	12,458,762	4	6	1st Feb.	q. 1½	9.00	Steel Co. of Canada, com	48	8½	88¾	34¼	71½	47½	65¼	Jan. 8	64	Jan. 7	51	50¼	59½	59	61½	58¾	59	4,580	48
	6,496,300			10½	7	1st Feb.	q. 1¾	7.52	" " " pref	95	69	107¼	82½	100½	84½	95	Jan. 6	94½	Jan. 5	83¼	82		93	94¼	93½	94	362	82¾
1,250,000	3,602 700	1,111,736	154,402			1st June '14	3½		Standard Chemtnal, pfd																			
1,200,000		252,500	138,156			1st Feb.	1½+1	6,31	St. Lawrence Flour, com							96	Jan. 2	94½	Jan. 9									
	575,000					1st Feb.	1¾		" " pref					56	49													55
650,000			149,379						Tooke Bros., com	18	16	25	16	19	19													19
	985,000			8¾	8¾	13th Dec.	q. 1¾	8.53	" " pref			83	78	79	70													70½
750,000		500,000	254,089	5	6+4	2nd Jan.	s. 3	8.69	Toronto Paper Co	45	25	96	44	90	72													65
2,500,000			337,933						Tuckett Tobacco, com	29¼	29	25	23½	22½	17	24½	Jan. 13											16¼
	2,000,000			7		15th Jan.	q 1¾	8.75	" " pref.	90	90	90	75	83½	78	80	Jan 6							80	80	80	5	80
1,750,000		911,000	238.660			2nd Jan.	1½	10.17	Wabasso Cotton							60	Jan. 16	58	Jan. 2				60	60	59½	60	16	
5,000,000		3,430,000	864,023						Wayagamack com	26½	26			97	50	55	Jan. 2	51	Jan. 7	50		52	51	51½	51⅛	51½	185	50
7,718,600		470,000	1 303,540		7	2nd Dec.	q. 1¾	8.13	Woods Manufacturing Co., Ltd. com.	15	20	65	33	61	44	86¼	Jan. 13											53¼
	1,546,500			15¾	7	1st Jan.	q. 1¾	8.13	" " pref	45	20	101	84	86	80													86

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock outstanding	Bond Pref d Stock or Debentures Outstanding and Int.	Reserve and Contingent P. & L.	Dividends 1917	Last Dividend Date	Per cent.	LOAN AND TRUST	Range for Year 1916 High	Low	Range for year 1917 High	Low	Latest Price Ask	Bid	Last Sale
1,205,090	3,932,161	1,294,157	9	2nd Jan.	q. 2¼	Canada Landed	163	157¼	160	150	154		148¾
6,000,000	19,946 571	5,447,977	10	2nd Jan.	q. 2½	Canada Permanent	183	168⅝	173	162½		167½	168
1,750,000	5,519,687	1,8[illegible]3,863	10	2nd Jan.	q. 2½	Central Canada					190		
20,000	2 994,340	419,646	6	2nd Jan.	s. 3	Col. Investment, pref.	76	70	77	68	74		81
934,848	1,112,672	263,925	5	2nd Jan.	s. ½	Dominion Savings	80	80				82	81
2,412,566	2,221,508	827,258	5	1st July	Def.	Great West Per							89½
1,200,000	2,276,590	1,163,994	8	2nd Jan.	s. 4	Hamilton Provident	140	138	142	137		137	133
2,500,000	11,865,047	3,186,669	12	2nd Jan.	q 3	Huron and Erie	214	209	211	205	210	202	
1,000,000	1,914,936	837,232	8	2nd Jan.	s. 4	Landed Banking	145	144	143	143		145	140
1,250,000	2,700,981	871,997	8	2nd Jan.	q. 2	London and Can. Loan	135	132	132	128½	128	127½	126½
887,398	1,722.889	341.924	6+1	2nd Jan.	q. 1½+¼	London Loan and Sav							
600,000	350.626	744,530	10+1	15th Dec.	q. 2½	Montreal L. & Mtg. Co.	175	160	165	162½			152
1,500,000	7,717,790	1,622.398	10	1st Jan.	q. 2½	National Trust	210	210	212	207½		210	207½
1,750.000	3,546 486	2,000,[illegible]03	9	2nd Jan.	q. 2¼	Ont. Loan and Deb.	175	169	175	175		175	155
500,000	643 698	262.754	7	2nd Jan.	s. 3½	Real Estate Loan		205½					103
1,500,000	33,203,713	2,051,443	10	2nd Jan.	q 2½+1	Toronto Gen. Trusts	210	134	215	200	207		204
724,550	1,774,451	627,871	8	2nd Jan.	q. 2	Toronto Mortgage Co.	140		140	136			127
1,000,000	1,931,430	1,086,701	10	2nd Jan.	q. 2½	Toronto Savings							185
1,000,000	7,661,882	465,702	8½	2nd Jan.	q. 2½	Union Trust							178
1,000,000		7 231,192	15	2nd Jan.	q. 2	Canada Life Assurance			190	10			190

Common Stock Outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding	Reserve and Contingent P. & L.	Dividend 1917	Last Dividend Date	Per cent.	MISCELLANEOUS COMPANIES	Range for year 1916 High	Low	Range for Year 1917 High	Low	Latest Price Ask	Bid
[illegible],000,000		648,992		15th Jan.	1¼	Asbestos Corporation, com.	24	23	21	12	46¼	45
	7,000,000		4	15th Jan.	1½	" " pref	60	53	53	42	63½	63
1,500,000		1,[illegible]88,1[illegible]3	9	1st Jan.	s 4	Canadian N. Prairie Lands						
800,000	390,000	451,006	8	1st Jan	q 2	Canadian Salt	140	124	36	128		1 7½
59,109		1,757,277	$5	23rd Dec.	$5	Can North-West Land						
[illegible]00,000		2,374,727	20	31st Dec.	q. 5	Confederation Life A	3[illegible]0	330	330	330	375	
6,212,666		501,345		2nd Dec.	q. 1½	Crows Nest Pass Coal	83	71	70	50		52
1,000,000		292,230	6	15th Jan.	q. 1½	Dominion Telegraph	90	86	90	89	80	
3,000,000	12,669,500					Electrical Dev., pref.						
450,000	b 5,312,763	2,172 109	10	1st Jan.	q. 2½	Imperial Life Assur						
500,000	460,400	785,511	7	1st Mar.'12	s 3½	Intercolonial Coal, pref					80	
3,000,000		133,458		1st Mar. '14	1	Intern. Coal and Coke.			25	25		
2,196,551	1,922,500	652,424	7	15th Nov.	q. 2	Kaministiquia Power					120	
637,480	b 595,000	224,441	3	2nd July '17	s. 3	London Street						
2,000,000		119,740	8+1 cts	15th Jan.	q. 2	Montreal Telegraph	136	135	138	115		120
925,000	b1,123,000					Nia., St. Kath. and Tor.						
1 164,000	b 741,000	286,076	3½	10th July '15	q. 1¾	Trinidad Electric						
2,124,700	b1.504,6[illegible]1	844,651	8	16th Dec.	q. 2	W. Can. Flour Mills	1 9¾	102				
800,000	b 600.000	606,068	5	1st Jan.	q. 1¼	West India Electric			77	77		

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and Loss; +—indicates bonus; 2—means bond; P—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 25th, 1912; Feb. 1st and Nov. 17th, 1913, pu December 1, 1914.

INCORPORATED 1855

THE BANK OF TORONTO

Head Office: TORONTO, CANADA

Dividend No. 150

Notice is hereby given that a **Dividend of Three Per Cent.** for the current quarter, being at the **rate of Twelve Per Cent. per annum**, upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the First day of March next, to Shareholders of record at the close of business on the Twelfth day of February next.

By order of the Board.

THOS. F. HOW,
General Manager.

The Bank of Toronto, Toronto,
January 29th, 1919.

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

FINANCIAL ASSISTANCE

to Estates being administered by it.

CAPITAL ISSUED AND SUBSCRIBED $1,171,700.00
PAID-UP CAPITAL AND RESERVE 860,225.00

The Imperial Canadian Trust Co.

EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.

HEAD OFFICE: WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA

Mercantile Trust Company of Canada
LIMITED
Hamilton, - - - Canada

Acts as Executor, Administrator and Trustee. Administers Real Estate.

We have special facilities for handling property in the Niagara Peninsula.

Cyrus A. Birge, *President* S. C. Macdonald, *Manager*

Invest Your Money in Canada

The Dominion Government urges that Canadian Securities should be held by Canadian Investors. Taxation is likely to be imposed on non-Canadian Securities. You can be patriotic and at the same time, obtain a certain 5½% for your money by investing your funds in

Standard Reliance Mortgage Corporation Debentures

This Canadian Security does not fluctuate in value. It is repayable at certain fixed periods. Meantime it bears interest at 5½%, payable half-yearly, in cash, on the day it is due.

Thousands of people have invested their savings in these debentures without the loss of one dollar invested. The debentures are issued in amounts of $100 and upwards for a fixed period to suit your convenience.

Write for our booklet entitled "PROFITS FROM SAVINGS."

Paid up Capital and Surplus Funds - - $3,362,378.63

STANDARD RELIANCE MORTGAGE CORPORATION
HEAD OFFICE—TORONTO

Branch Offices:
AYR BROCKVILLE CHATHAM
ELMIRA NEW HAMBURG WOODSTOCK

LLOYDS BANK LIMITED.

Head Office: 71, LOMBARD ST., LONDON, E.C. 3.

CAPITAL SUBSCRIBED - £31,304,200
CAPITAL PAID UP - - 5,008,672
RESERVE FUND - - 4,000,000
DEPOSITS, &c. (Dec., 1917) 174,697,945
ADVANCES, &c. do. 61,466,709

THIS BANK HAS NEARLY 900 OFFICES IN ENGLAND AND WALES.
Colonial and Foreign Department: 17, Cornhill, London, E.C. 3.
London Agency of the IMPERIAL BANK OF CANADA.
The Agency of Foreign & Colonial Banks is undertaken.

French Auxiliary:
LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.

GEO. O. MERSON & COMPANY
CHARTERED ACCOUNTANTS
REPORTS UNDER FEDERAL INCOME TAX ACT.
LUMSDEN BUILDING
TORONTO

MONEY, BANKING AND EXCHANGE

CLEARINGS IN WEST SHOW A FALLING OFF

In the East Returns Are Higher by 15.3%—In the West Decline is 1.4%

DOMINION GAINS 10.6%

Six Cities Out of a Total of 24 Show Lower Returns—Moose Jaw Shows Largest Percentage Gain

Bank clearing returns made to THE FINANCIAL POST for the week ending Thursday last at $236,043,211 show a gain of $22,621,319, or 10.6 per cent. over the corresponding period in 1918. In the East the total is $176,533,081, a gain of $23,511.538 while in the West there is a slight falling off with clearings for the week amounting to $59.510,130, a decrease of $890,219, or 1.4 per cent. Six cities out of a total of twenty-four show lower returns, these being Sherbrooke, Winnipeg, Calgary, Saskatoon, Fort William and Medicine Hat. Toronto, with clearings amounting to $68 096-616 reports a gain of $11,873 359, while Montreal with a total of $81.-953,866, shows a gain of $6,930,742, or 9.2 per cent. The city in the East to show the largest percentage gain is London, a gain of 31.5 per cent., while in the West, Moose Jaw shows a gain of 48.1 per cent. Winnipeg, with clearings totalling $33.759.119, shows a falling off of $1,873.778, or 5.3 per cent. Following are comparative figures:

	Jan., 1919
Quebec	$20,940,743
Medicine Hat	1,714,013
Saskatoon	7,680,804
Victoria	9,004,892
Edmonton	15,962,846

At the time of going to press. THE FINANCIAL POST received the returns of January bank clearings from the following cities:

WEEKLY BANK CLEARINGS
(In comparison with same week last year)

Eastern Cities

	Jan. 30, 1919	Change	%
Montreal	$ 81,953,866	+$ 6,930,742	9.2
Toronto	68,096,616	+ 11,873,359	21.1
Ottawa	6,370,574	+ 1,185,393	22.8
Hamilton	4,572,673	+ 385,735	9.2
Quebec	4,290,544	+ 980,365	29.6
Halifax	4,026,110	+ 800,254	24.8
London	2,167,531	+ 518,238	31.5
St. John	2,474,657	+ 547,488	28.5
Brantford	762,617	+ 90,127	13.4
Peterboro	631,459	+ 85,134	15.5
Sherbrooke	624,671	— 291	....
Kitchener	561,764	+ 114,994	26.1
Total, East	$ 176,533,081	+$23,511,538	15.3
Windsor	1,242,498		

Western Cities

	Jan. 30, 1919	Change	%
Winnipeg	$ 33,759,119	—$ 1,873,778	5.3
Vancouver	9,288,592	+ 1,464,621	18.7
Calgary	4,810,659	— 1,218,568	20.2
Edmonton	2,867,837	+ 78,447	2.8
Victoria	1,673,645	+ 92,254	5.8
Regina	2,707,819	+ 208,839	8.3
Saskatoon	1,380,916	— 21,341	1.5
Moose Jaw	1,307,298	+ 423,699	48.1
Ft. William	558,436	— 36,987	6.2
Brandon	446,901	+ 4,833	1.0
N. Westm'ster	409,975	+ 106,952	35.6
Medicine Hat	298,933	— 119,190	29.0
Total, West	$ 59,510,130	—$ 890,219	1.4
Grand Total	$ 236,043,211	+$22,621,319	10.6
Prince Albert	316,010		

EXCHANGE

The market for New York funds continues narrow and spotty. The supply is fairly good, the selling of bonds in the United States bringing some funds into the market and tending to keep down the rate. However, quotations have remained all week above the 2 per cent. level.

January 24—Funds sold from 2 1-32 to the seller up to 2 1-16 to the seller.

January 25—Funds sold at 2 1-16 to the seller and 2 1-16 to the buyer.

January 27—Funds sold at 2 1-16 to the seller.

January 28—A jerky market, moving as follows: 2 1-16 to the buyer; 2 3-64 to the buyer; 2 1-32 to the buyer; 2 3-64 to the buyer, and 2 1-16 to the buyer.

January 29—Market still uneven. moving from 2 3-64 to 2 1-16 to 2 3-64 to 2 1-16 to 2 3-64 to the buyer.

January 30—Funds sold at 2 1-32 to the buyer.

January 31—Funds at 2 1-16 to the buyer.

Demand sterling has fluctuated between 4.7580, 4.75¾ and 4.7577½, closing at 4.75¾. Cables have been fairly steady at 4.7655 and 4.76 9-16

Francs opened the week at 5.45⅜ for cheques and 5.45⅝ for cables, and closed at 5.45¾ and 5.45⅛ respectively.

COMMERCE

D. McGillivray, manager of the Halifax branch of the Canadian Bank of Commerce, has been appointed superintendent of the neawly created division of the bank's branches in the Maritime Provinces. Mr. McGillivray will have his head office at Halifax. A. J. Campbell, one of the bank inspectors, has been appointed manager of the Halifax branch.

HAMILTON

The Bank of Hamilton has reopened its branch at Penticton, B.C., in charge of J. T. Armstrong, who has been appointed manager.

ROYAL

Edson L. Pease, vice-president and general manager of the Royal Bank of Canada, has sailed from Halifax on the "Olympic" and will spend some two months in Europe looking over and studying the general situation. He will also make final arrangements in connection with the opening of the new Paris branch.

MONTREAL

W. H. Nelson, whose death occurred recently at Port Arthur, was for thirty years manager of the Port Arthur branch of the Bank of Montreal. Mr. Nelson, who was born in Toronto on August 10, 1861, was educated at the public schools at Yorkville, and at the age of thirteen entered the employ of the Bank of Montreal as junior clerk. Later Mr. Nelson was associated with the St. Lawrence Bank, and in 1887 entered the employ of the Federal Bank, which was taken over later by the Ontario Bank. He was manager of the Bank of Montreal in Aurora in 1896, and three years later moved to Port Arthur as manager of the Ontario Bank. When the Bank of Montreal took over the Ontario Bank Mr. Nelson remained in Port Arthur as manager.

The Bank of Montreal has opened a branch at Lestock, Sask.

A London report states that William Ewen Stavert, formerly of the Bank of Montreal, and recently a director of finance at the British Ministry of Information, has been created a Knight of the Order of the British Empire.

BANK OF ENGLAND

A report from London, Eng., states that eight hundred women clerks employed by the Bank of England as a war measure have been notified that their services will no longer be required, but that 200 of them may make special application for as many permanent positions in the clerical staff. The salary will be $10 a week, with a pension of half that amount after 25 years' service.

"Women will certainly be placed on a permanent footing in the future," was the opinion of one bank manager, while another felt that they were "excellent and charming," but they could not "work under pressure."

London, Jan. 30—The weekly statement of the Bank of England shows the following changes:—

Total reserve, inc., £131,000; circulation, inc., £319,000; bullion, inc., £449,811; other securities, inc., £$1,395,000; public deposits, dec., £604,000; other deposits, dec., £4,970,000; notes reserve, inc., £38,000; Government securities, dec., £7,-041,000.

The proportion of the bank's reserve to liability this week is 20.13 per cent.; last week it was 19.32 per cent.

Rate of discount, five per cent.

SCOTIA FEATURE OF BANK STOCKS

An Advance of 12 Points Scored—Toronto's Increased Dividend

The bank stocks continued to occupy a large share of the trading interest this week, but the tendency was towards a readjustment of prices rather than for further advances. The exception was the Bank of Nova Scotia, which gained 12 points, evidently, on the strength of the merger situation.

In the face of an announcement of an increase in dividend from 11 to 12 per cent. the Bank of Toronto suffered a slight decline, which would seem to indicate that the increase had been discounted. Commerce declined 6 points, but other changes were not important.

In 1910 and 1911 the Bank of Toronto paid 10 per cent. For the next three years the dividend was 11, with a bonus of 1 per cent., making 12 in all. For the past four years the rate has continued at 11 straight. The stock was at its highest early in 1909, when it touched 227. It dropped to 190 in the latter part of 1916, and last year ranged from 184¼ to 194.

	Last Jan. 23	Sales Jan. 30	Change
Commerce	211	205	— 6
Dominion	219	219	...
Hamilton	203	200	— 3
Hochelaga	*148	148	...
Imperial	210	208¼	— 1¾
Merchants	190	190	...
Molsons	200	195	— 5
Montreal	216¼	215⅝	— ⅝
Nova Scotia	258	270	+12
Royal	213	212½	— ½
Standard	214⅞	210	— 4⅞
Toronto	202	201	— 1
Union	160½	160	— ½

*No sales this week

PROVINCIAL BANK

Change in Fiscal Year to End June 30th

The Provincial Bank has changed its fiscal year from ending December 31 to June 30. The result will be as the general manager, Tancrede Bienvenu, told THE FINANCIAL POST, that the regular report due now for the twelve months will not be issued, but instead, some time probably in August there will be a report for the eighteen months ending June 30, 1919, and thereafter one every twelve months. The reason assigned for this is the recurrence of holidays in January interrupting regular work.

BUSINESS AND LABOR OUTLOOK IN CANADA

Continued from page 1

ditions. I cannot forget, however, that success can only come if back of this movement there is a sound spirit of service. There has to be conscience with the workmen as well as with capital, and both must have an adequate sense of common responsibility.

Again, nothing will be gained by failing to look at the facts. The belligerent countries have created a new debt of two hundred billions of dollars and have wasted an immense body of property. These debts have to be paid and the properties destroyed have to be renewed. Each nation will seek to develop business which will enable it to meet the obligation of debt which hangs so heavily over them.

A Problem for Society

International society may in due course learn a better way of carrying on business than the competitive system now in force. In the meantime, however, it is the only method which is in force in International business. There will be no deliverance, I fear, from an immediate and acute competitive struggle between industrial nations for world trade. As far as Canada is concerned I do not consider that we are industrially organized to carry on an important world trade in manufactured goods under these fiercely competitive conditions. The accident of war brought to us a wonderful volume of industrial business. and we responded in a manner which deservedly commands the respect of all who know what we have done. It has, however, I fear, led Governments and business men into the error of thinking that we were now ready to follow up this accidental business with world trade, and that we would at once secure a large volume of business of an export character to take the place of the war business which terminated so quickly. We are wrong in this. Apart from special industries which before the war had world trade, we cannot hope to secure great volume in export merchandise at an early period and little advantage either to capital or labor will come at the present time from such anticipated business.

We had an export trade in war materials last year, and the year before of from five hundred to five hundred and fifty million dollars per year. This business gave active employment to labor at high wages. It not only gave employment to the ordinary workman but it gave employment to women and to big boys and girls, as well as to old men and women. The results from it and from the sale of agricultural products at extreme values are seen in the increased savings of our people and in the resources of our financial institutions. Fortunately we have this asset with us, although only in the form of a debt due by the Government of the country to the people of Canada. There is no business in sight which will represent any considerable percentage of such export trade. Indeed there may be periods during this year when labor will develop anger and bitterness because the anticipated constant employment with shorter hours and increased rate of pay may turn out to be a condition in which men and women are without work, while the cost of living has not materially come down.

A new, hopeful feature with us is following the lead set in Great Britain, as yet only to a minor extent, in the disposition to give to workpeople, through councils, a share in the responsibility of factory operation.

BRANCH COMPETITION

General Manager of Dominion Refers to Present Movement

Questioning the wisdom of the marked expansion of the Canadian branch bank system which has resulted in the opening of a couple of hundred new offices, C. A. Bogert, general manager of the Dominion Bank, spoke as follows at the annual meeting of that institution:

"The result is that Canada to-day is furnishing the public with banking facilities that are not equalled by any country in the world, and are indeed not warranted, either by present conditions or probable future expansion." He pointed out that from the last available returns Canada has a branch bank for every 2,300 people; in the United States, including national and State banks, there is one for every 3.600 people; and in the United Kingdom one for every 4,800.

"Is it not probable that an unjustifiable extension of branch banks in Canada will prove not only dangerous to the banks themselves, but to the public—increased and unnecessary bank facilities will shortly produce increased competition and unreasonable extension of credit?" Promoters of doubtful enterprises, Mr. Bogert said, or people without integrity or financial strength would welcome such conditions. While appreciating the necessity of banks keeping pace with Canada's development, or even anticipating it to a reasonable extent, particularly in Western Canada, he thought the present extraordinary expansion did not seem justified.

Robert Cassels G. H. Brown

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Second Vice-President
R. S. HUDSON
Joint General Managers
R. S. HUDSON JOHN MASSEY
Assistant General Manager
GEORGE H. SMITH

Paid-up Cpaital $6,000,000.00
Reserve Fund 5,500,000.00
Unappropriated Profits ... 172,509.77
Capital and Surplus $11,822,509.77

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DEBENTURES ISSUED

Associated with the above corporation and under the same direction and management is

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NEWS AND VIEWS FOR MANAGERS

WHY ARE BANKS SO UNPOPULAR WITH THE PUBLIC?

A Candid Discussion of Relations of Manager and Customer

EDUCATING PEOPLE

Some Points About Banking Service Which May be Effectively Explained—Do Not Blame Head Office

Whenever an issue arises which seemingly has to do with the relations of the Canadian banks and the people, the impression prevails that they are not in good standing in "public opinion." How far this is due to the attitude of the customers of the banks who are directly concerned and how far it is the result of that prejudice against big business institutions which is fostered by many newspapers and socialistic busybodies is a question which is hard to answer. It is a question, however, which has a direct interest for branch managers, for they are the links between the banks and the customers and therefore a direct factor in so-called "public opinion."

While the majority of successful managers recognize the responsibilities of their position in maintaining amicable relations between the bank and the bank's customers under any and all conditions, I am afraid that there are others who are a factor in spreading the opinions that they are working in the interests of a "merciless corporation"—in other words the "money trust"—about which the people are willing to believe the worst.

Soft Answer Not Always Best

Take the case of a manager in a small community. He naturally takes a place, usually a prominent one, in the social scheme of things; he becomes a public figure; he makes many friends. It is good business that he should do so. Then comes a time when a customer with whom he is intimately acquainted makes application for a credit which it is not in the interests of good business, and therefore, not in the interests of the bank, that he should grant. He may reach the decision to make a refusal on his own responsibility or he may refer it to head office and have the refusal come from higher up. But he is tempted to say—and sometimes I am afraid he does:

"I did the best I could for you but I could not get it passed at head office."

This is passing the buck to head office. The manager may escape what may be an unpleasant incident in refusing an acquaintance, but he leaves the customer to reach the conviction that all the reports he has heard about the money trust are right—that the funds are only for big big corporations, that the banks are financing Wall Street, etc., etc.

Good Effect Temporary

Even if the manager's explanation passes for the time being it is doubtful if he is saving the situation. The customer is not likely to leave his account for personal reasons alone. Eventually he will try another bank if the opportunity offers and the account is lost. On the other hand the experience of many managers has been that even though it may not be pleasant to do so, it is far better to face the issue and, taking up the position as a representative of the bank and a factor in its systems, candidly explain from a business standpoint why the loan cannot be granted. The average applicant for a loan will understand these reasons if they are properly explained and what is more the average applicant will prove willing to be convinced that the bank cannot meet his desires if the bank's case is effectively presented. As a representative of the institution which he serves, the manager should be prepared to act for the bank as he would if the business were his own.

Ignorant of Bank Service

The smaller bank customers are often tremendously ignorant of the bank and its functions. There are many things which the manager can effectively explain to remove the false impressions which prevail. The small depositor, for example, is told that his funds are all taken for the big borrowers. As a matter of fact, so far as the small depositor is concerned, he is often a liability rather than an asset to the bank because he does not carry a sufficient balance to pay overhead charges in servise. The same applies to a small borrower. When all the factors for expense are taken into consideration, the bank is often not receiving any net return from the borrower above the interest to the depositor, the difference being consumed in the cost of doing business. Profits are largely the result of big financing and the small customer receives a benefit therefrom as well as the bank shareholders. These are the actual facts of the case which can be made to appeal to the average person with an understanding of the cost of doing business, particularly at the present high level of salaries and cost of supplies.

BANKS AND CUSTOMERS

Why are the banks unpopular?

Why the talk of a money trust menace?

The relations between the banks and the public are of vital interest to every bank manager—he is the connecting link. In the leading article on this page some ideas are discussed as to how the manager can lead his customers to a better undertanding of the Canadian banking system and the service it is rendering.

But is there another side?

Have the managers any ideas to offer by which head office might make bank service more appealing to the public?

The banks are rendering a great service to the public, particularly to the small customer. How can he be brought to appreciate this?

Take the charge made in Western Canada that the banks are not giving the farmer all the service to which he is entitled. There is talk of Western banks. What are the facts? To-day the West is borrowing on the average as much as it deposits. But the service could not be maintained on the present basis of equal supply and demand. There is a surplus required to conduct a successful banking business and that is being supplied in relation to Western Canada by Eastern Canada. Besides a bank which serves Western Canada alone would find that at some seasons of the year there would be a demand which could not be supplied and that at another there would be available surpluses which could not profitably be employed.

Financing Trade Expansion

The argument for the larger banks is that with their national system and foreign branches they can employ their funds to the best advantage at all times. Then there is a point with regard to financing big undertakings. Not only do these present larger net profits on account of the lower overhead expenses and thus help to pay for unprofitable service to the small customer, but they sometimes involve risks which a big strong bank can afford to take, but which would be dangerous to a small institution. And when such risks involve the financing of export trade an important service to the nation is involved. The world movement in banking circles to-day is towards consolidations so as to provide the necessary funds for the financing of that export business which is so necessary to the maintenance of industrial and national prosperity.

Branch managers can undoubtedly do much to counteract the money trust talk if they will educate their customers regarding the service they are rendering. On the other hand, the editor of this column would be pleased to have the opinions of managers as to methods by which head office can effectively co-operate in service and methods which would offset this feeling against the banks.
—J. W. T.

TO ADMIT SAVINGS BANK

Legislation Sent to State Institutions For Consideration

WASHINGTON. — The United States Council of State Banking Associations has mailed to all banks operating under state charters, a bulletin setting forth proposed legislation affecting those banks, which is now under consideration by the Federal Reserve Board.

The proposed legislation is divided under three heads.

1. To admit to membership in the Federal Reserve System mutual savings banks, and stock savings banks with insufficient capital stock to entitle them to become members under the existing law, provided the surplus of mutual savings banks and the combined capital and surplus of such stock savings is equal to the capital stock required of national banks in the places where such savings banks are located.
2. Authorizing the board by regulation to prescribe the conditions under which time deposits may be classed as savings deposits and providing that two-thirds of the 3 per cent. reserve against savings deposits may consist of United States bonds issued since April 24, 1917, or United States certificates of indebtedness deposited with the Federal Reserve Bank.
3. **Authorizing savings banks which convert into national banks to maintain separate savings departments and authorizing national banks to establish separate savings departments to be operated in substantial conformity with state laws.**

MANY NEW BANK BRANCHES OPENED

A Net Gain of About 140 in December and Over 50 in November

During the month of December, according to Houston's Bank Directory, the Canadian chartered banks opened 145 new branches and closed 6 branches, which compare with a total of 58 branches opened in November and 4 branches closed. Of the new branches opened the Merchants Bank opened 27, Union 23, Commerce 21, Royal 18, Imperial 11, Hochelaga 11, Nationale 8, Montreal 7, Hamilton 6, Standard 3, Dominion 3, Sterling 3, Nova Scotia 2, Toronto and Molsons 1 each. Of the 6 branches closed the Bank of Montreal closed 2, while the Bank of Hamilton, Imperial, Toronto and Merchants closed a branch each. Following is a list of the branches opened and closed during the month:

Opened

Merchants — Addison, Ont. (sub.); Arundel, Que.; Barons, Alta.; Bashaw, Alta.; Bentley, Alta. (sub.); Botha, Alta.; Bowsman River, Man.; Carbon, Alta.; Clairmont, Alta.; Dominion City, Man.; Duff, Sask.; Fannystelle, Man. (sub.); Fanwood, Sask. (sub.); Frankville, Ont. (sub.); Fullerton, Ont. (sub.); Goodeve, Sask. (sub.); Grenfell, Sask.; Hayter, Alta. (sub.); Kinistino, Sask.; Perdue, Sask.; Provost, Alta.; Sinclair, Man. (sub.); Tisdale, Sask.; Tupperville, Ont (sub.); Valparaiso, Sask. (sub.); Vanscoy, Sask. (sub.); Willman, Sask. (sub.)

Union—Altamont, Man. (sub.); Augersville, Man.; Clanwilliam, Man.; Easton's Corners, Ont. (sub.); Govan, Sask.; Guernsey, Sask.; Jansen, Sask.; La Porte, Sask.; Leduc, Alta.; Major, Sask.; Morris, Man.; McNutt, Sask.; Netherhill, Sask.; Oakburn, Man.; Palmer, Sask.; Rosebank, Man.; St. Boniface, Man.; Salvador, Sask. (sub.); Sanford, Man.; Sexsmith, Alta.; Sperling, Man.; Strongfield, Sask.; Toledo, Ont. (sub.).

Nationale—Amos, Que.; La Terriere, Que. (sub.); St. Anne de Chicoutimi, Que. (sub.); St. Chrysostome, Que. (sub.); St. Urbain, Que. (sub.); Sandy Bay, Que. (sub.); Tourville, Que. (sub.); Val Barrette, Que. (sub.).

Standard—Asherne,, Man. (sub.); Gray, Sask. (sub.); Paynton, Sask.

Royal—Balmoral, Sask. (sub.); Biggar, Sask.; Chatham, Ont.; Cupar, Sask.; Grayson, Sask.; Jatibonica, Cuba; Lavoy, Alta.; Leask, Sask.; Leipzig, Sask.; Lundar, Man.; Meeting Creek, Alta.; Mirror, Alta.; Round Hill, Alta.; Shoal Lake, Man.; Storthoaks, Sask.; Success, Sask.; Wellington Station, P.E.I.; Winnipeg. Man.

Commerce—Bass River, N.S.; Baswood, Man.; Beamsville, Man.; Bluevale, Ont. (sub.); Dashwood, Ont.; Drumheller, Alta.; Empress, Alta., Headingly, Man.; Hyas, Sask.; Irricana, Alta.; Ituna, Sask. (sub.); Leslie, Sask. (sub.); Lunenbury, N.S.; Marshall, Sask. (sub.); Norquay, Sask. (sub.); Pathlow, Sask.; St. Brieux, Sask.; St. Norbert, Man.; Star City, Sask.; Vaun, Sask. (sub.); Walton, Ont.

Hochelaga—Beloeil, Que. (sub.); Lavaltrie, Que. (sub.); Mariapolis, Sask.; St. Agathe, Man. (sub.); St. Elizear de Beauce, Que. (sub.); St. Felix de Valois, Que.; St. Marcel, Que. (sub.); St. Norbert, Man. (sub.); St. Timothee, Que. (sub.); St. Urbain, Que. (sub.); St. Wenceslas, Que. (sub.).

Molson—Bridgeport, Ont.

Montreal — Calder, Sask.; Ethelbert, Man.; Ituna, Sask.; Sault Ste. Marie, Ont. (sub.); Springside, Sask. (sub.); Torquay, Sask.; Verigin, Sask.

Hamilton — Carmaugay, Alta.; Ethel, Ont.; Marquis, Sask.; Plum Coulee, Man.; Tisdale, Sask.; Whitchurch, Ont. (sub.).

Imperial—Daysland, Alta.; Edenwold, Sask.; Fort William, Ont. (sub.); Gimli, Man. (sub.); Glen Morris, Ont. (sub.); Kinmberley, B.C.; Kirkland Lake, Ont.; Lestock Station, Sask. (sub.); Riverton, Man.; Sangudo, Alta.; Sylvan Lake, Alta. (sub.).

Nova Scotia—Emerald, P.E.I.; Jasper, Ont.

Sterling—Kimmount, Ont.; Port Dover, Ont.; Zephyr, Ont.

Dominion — St. Boniface, Man.; St. Catharines, Ont.; Teulon, Man.

Toronto—Stewart, Sask.

Closed

Hamilton—Bleuvale, Ont.

Montreal—Calgary, Alta. (B.N.A. bch.); Halifax, N.S. (B.N.A. bch.).

Imperial—Leaside, Ont.

Toronto—Rosebud, Alta.

Merchants—Vermilion, Alta.

The number of branches at the end of December totalled 3,568 and are distributed as follows:

In Canada		3,446
Ontario	1,183	
Quebec	837	
Nova Scotia	120	
New Brunswick	84	
Prince Edward Island	19	
Manitoba	244	
Alberta	300	
Saskatchewan	482	
British Columbia	174	
Yukon	3	
In Newfoundland		27
Elsewhere		95
Total		3,568

THE COST OF THE WAR

Britain's Bill is Approximately £8,128,000,000

LONDON.—The cost of the war to Great Britain was approximately £8,128,000,000, declared Sir E. H. Holden at the annual meeting of the London City and Midland Bank, of which he is managing director. Of this sum £1,107,000,000 was loaned to the Allies.

Germany's war cost, he said, was £7,750,000,000, of which only £450,000,000 was loaned to her allies. In addition to this were the debts incurred by the several German States.

NATIONAL BANKS HAD A BIG YEAR

An Increase of Nearly $300,000,000 in Profits For 1918

WASHINGTON.— Gross earnings of the national banks for the fiscal year ended July 1, 1918, amounted to $813,997,000, an increase of $298,373,000 over the twelve months ended July, 1914, just before the outbreak of the war. Net earnings for the year ended July, 1918, were $212,332,000, the greatest on record, and exceeded by more than $63,000,000 the earnings for the fiscal year ended July, 1914. The Comptroller of the Currency points out in his annual report to Congress that this increase in net earnings took place despite the losses and shrinkages in securities incident to the war period and despite the reduced interest rates which have been brought about in the past few years. The increase in net earnings was over 42 per cent.

The average earnings on capital stock for all national banks for the past fiscal year were 19.33 per cent., the greatest on record. Earnings on capital and surplus of all national banks were 11.09 per cent. In the forty-nine year period from 1869 to 1918 the average earnings of all national banks amounted to 12.81 per cent. on stock.

The banking power of the United States represented by the capital, surplus, profits, circulation and deposits of all national banks and reporting state banks, trust companies, etc., as well as capital, government and reserve deposits of the Federal Reserve banks, and Federal Reserve notes in circulation, amounted in June, 1918, to $39,082,000,000.

Sale of Pulpwood Lands
in Northern Ontario

The Lake Superior Corporation and Algoma Eastern Railway Company are open to negotiate for the disposal of certain lands

Approximately 682,000 Acres

situated for the most part in that section of Northern Ontario known as the Clay Belt, and comprising the Townships of Storey, Langemarck, Dowsley, Nassau, Shetland, Staunton, Orkney, Magladery, Caithness, Rykert, Doherty, Whigham, Coppell, Newton, Dale, McOwen, Frater.

The lands in question are accessible to the Algoma Central, Trans-Continental, Canadian Northern, and Canadian Pacific Railways, and should be of particular interest to pulp and paper makers, also to settlers, in view of their agricultural possibilities.

General information will be furnished and plans exhibited at the office of Mr. Alex. Taylor, secretary of the Lake Superior Corporation, 1428 Bank of Hamilton Building, Toronto, or at the office of Mr. G. A. Montgomery, vice-president of the Algoma Eastern Railway Company, Sault Ste. Marie, Ont.

A Chain is as Strong as Its Weakest Link

Do you know where the chain of your company will give under Post-War conditions? Prepare now. Our staff comprises specialists in Organization, Production, Accounting and Costs, Sales Development Standardization and General Business Efficiency.

THORNE, MULHOLLAND, HOWSON & McPHERSON
Bank of Hamilton Building, Toronto, Canada

SECOND ANNUAL REPORT OF THE BROMPTON PULP AND PAPER COMPANY LIMITED

For Year Ending October 31, 1918

PROFIT AND LOSS ACCOUNT

As at October 31st, 1918

EARNINGS:		
After deducting Management, General Expense, Insurance, Sales Department, Business Profits War Tax, etc.		$1,051,274.69
DEDUCT:		
Depreciation	$186,880.10	
Bond Interest	87,120.00	
Preferred Stock Dividends	140,000.00	
Common Stock Dividends	350,000.00	
		$ 764,000.10
Surplus		$ 287,274.59

Audited and approved.—J. H. BRYCE, Certified Accountant.

BALANCE SHEET

As at October 31st, 1918

ASSETS

FIXED:		
Freehold and Leasehold Timber Lands, Real Estate, Buildings, Water Powers, Mills, Milling Plant, Warehouses, Craft, etc., less Depreciation		$ 8,662,097.72
CURRENT:		
Inventories of Logs, Pulpwood, Manufacturing Lumber, Paper, Cardboard, Pulp, Raw Materials, Supplies, etc.	$2,172,472.45	
Accounts Receivable	718,554.84	
Cash in Banks, etc.	202,440.51	
		3,093,467.80
INVESTMENTS		479,925.79
DEFERRED CHARGES TO OPERATIONS		103,282.12
		$12,338,773.43

LIABILITIES

SHAREHOLDERS' CAPITAL:			
Authorized and Issued—			
20,000 Seven Per Cent. Cumulative Preferred Shares of $100 each, fully paid		$2,000,000.00	
70,000 Common Shares of $100 each fully paid		7,000,000.00	
			$9,000,000.00
SIX PER CENT. FIRST CONSOLIDATED MORTGAGE SINKING FUND BONDS, DUE 1935:			
Authorized		$2,000,000.00	
Redeemed	$ 233,000.00		
In Treasury	315,000.00		
		548,000.00	
			1,452,000.00
Sold to Public	$ 944,000.00		
In Custaody of Trustee to be exchanged for Brompton Pulp & Paper Co. Old Bonds, due 1927	508,000.00		
	$1,452,000.00		
CURRENT LIABILITIES:			
Accounts Payable		$ 328,766.06	
Bank Loan under Section 88		500,000.00	
Pay Roll and other Charges, Accrued, including Reserve for Business Profits War Tax		328,407.12	
Dividends Payable 7th November, 1918:			
Preferred Stock	$ 35,000.00		
Common Stock	87,500.00		
		122,500.00	
			1,279,673.18
PROFIT AND LOSS ACCOUNT:			
Profit for Year to date		$1,051,274.69	
Deduct:			
Depreciation	$ 186,880.10		
Bond Interest	87,120.00		
Prf. Stock Dividend	140,000.00		
Com. Stock Dividend	350,000.00		
		764,000.10	
		$ 287,274.59	
Balance of Profits brought forward from Oct. 31st, 1917		319,825.66	
			607,100.25
			$12,338,773.43

I have audited the accounts and vouchers of the Brompton Pulp & Paper Company, Limited, for the year ending October 31st, 1918. I have received all the information and explanations that I have desired, and in my opinion this Balance Sheet is drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and as shown by the books of the Company.

J. H. BRYCE,
Certified Accountant.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Montreal, January 18th, 1919.

TO THE SHAREHOLDERS:

Dear Sir or Madam,—Your Directors have pleasure in submitting the Annual Statement for the year ending October 31st, 1918.

The financial statement, after providing for business profits' war tax, shows earnings of $1,051,274.69, from which is deducted bond interest, $87,120, preferred stock dividends, $140,000, common stock dividends, $350,000, and depreciation, $186,880.10, leaving a balance of $287,274.59 carried forward to the credit of profit and loss.

During the period under review, your Company, in common with others, has been confronted with serious manufacturing difficulties, and under these conditions the above statement may be considered quite satisfactory. The return to more settled conditions should reflect itself in future earnings.

The plants have been maintained in a high state of efficiency, and all inventories have been taken on a conservative basis.

Since the closing of the last financial year, your Directors acquired on behalf of your Company, the property of the Odell Manufacturing Company of Groveton, N.H. The purchase was completed after the physical property had been favorably reported upon by Hardy S. Ferguson, Am. Soc. C.E., N.Y., and the accounts audited by Messrs. Price, Waterhouse & Co. Copies of both reports are available at the head office of the Company for examination by any interested Shareholder.

The purchase of the Odell Manufacturing Company was made upon very advantageous terms. The property was sold direct to your Company, no commission being paid to any intermediaries.

The acquisition of the Odell property gives your Company the most diversified output of any pulp and paper company in Canada.

In order to finance the purchase, your Directors passed a By-law authorizing the issue of $1,000,000 of 20-Year 6% General Mortgage Bonds, ranking after the issue of bonds presently outstanding. These bonds will be offered to Shareholders of record at the close of business on the 25th day of January, 1919, upon the terms set forth in the circular herewith enclosed.

The Directors and several large Shareholders have already underwritten their quota of these bonds, and arrangements have been made for the sale of any balance not subscribed for by the Shareholders.

Under the provisions of the By-law creating your Company's preferred stock, there was a prohibition against the issue of any securities ranking in priority to the preferred shares. The Preferred Shareholders have shown their approval of the proposed method of financing by unanimously consenting to allow the new bond issue to rank in priority to their preferred shares.

Your Directors recommend all Shareholders to take up their proportion of these bonds.

Shareholders are specially requested to sign and return the enclosed proxy, in order to ensure a sufficient vote to confirm the amendment to the preferred By-law and the passing of the By-law creating these Bonds.

Your Board of Directors wishes to testify to the efficient work of the staff and general organization of the Company, which has contributed so largely to securing the satisfactory results shown during the past year.

Submitted on behalf of the Directors.

F. N. McCREA, President.

DIRECTORS

F. N. McCREA, M.P., President.
H. W. BEAUCLERK, Vice-President.
W. N. MUNROE, Treasurer.
J. A. BOTHWELL, General Manager.

J. N. GREENSHIELDS, K.C.
E. W. TOBIN, M.P.
E. LANGUEDOC, K.C.
T. McAVITY STEWART.
C. C. WILSON.
H. E. MUNROE.

THE FINANCIAL POST

President	JOHN BAYNE MACLEAN
Vice-President	H. T. HUNTER
Manager	GORDON RUTLEDGE
Editor	J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports of official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

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PUBLISHED BY
THE MACLEAN PUBLISHING COMPANY, LIMITED
143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 128 Bleury St., M. Foster; WINNIPEG, 1207 Union Trust Building, C. W. Byers; BOSTON, 733 Old South Bldg., C. L. Morton; NEW YORK, Room 620, 111 Broadway, R. B. Heustis; CHICAGO, Room 900 Lytton Bldg., 14 E. Jackson St., A. H. Byrne; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

TORONTO, FEBRUARY 1, 1919

THE PUBLIC AND THE BANKS

THE proposal for the merger of the Bank of Nova Scotia and the Bank of Ottawa has been the reason or excuse for a further display of public feeling against Canada's very efficient bank system. The extent to which this is merely newspaper editorial desire to gain popularity and the extent to which it may be shared by the bank customers who are directly concerned is not defined, but the fact remains that the "money trust" idea is being fostered—small depositors are told that their funds go to the cities and Western farmers are led to believe that their funds are transported East for the benefit of the manufacturers. The fact that such ideas have no real foundation does not meet the menace that they are sinking their roots into the public mind—and there never was a time when public opinion required more careful analysis by big business institutions.

The fact that the small depositor, because of the cost of doing business, more often represents a liability than an asset, and the other fact that Eastern funds are really a factor in the amount of loans which the banks are able to grant in Western Canada, are only two of the real points in the situation in favor of the average bank consumer which are not appreciated. Education on these and other features of the banking system by frank and intelligent publicity might go far to clear the atmosphere. There are a couple of other ideas that THE FINANCIAL POST would like to offer for serious consideration.

First—A banking commission. This we believe is a time at which the appointment of an independent banking commission might be considered. It would act as a buffer between the big financial institutions and public opinion. It could investigate such charges as that small business suffers to the advantage of big business or that Western money is used for the advancement of the East, and put the real facts before the public. It could rule on questions of stock issues, gold reserves, issues of legals, amalgamations, etc., and hear complaints as in the case of the railway commission. In brief, it could relieve the Department of Finance of some of its burdens while operating in an advisory and technical capacity to the Minister, or under the direct authority of the crown.

Second—Recognition of depositors. In connection with the present merger proposals, it has been pointed out that the depositors have large interests involved in the transaction. THE FINANCIAL POST has taken the stand that there are technical difficulties in the way of registering their desires in the matter at this stage. However, there is a broader principle involved with regard to the general conduct of the banks. Successful business to-day in practically every line recognizes the importance of service as first consideration and satisfaction as the barometer of service. The customer is boss in many retail establishments. He has not a vote in the direction of the business or a share in the profits, but he has a big say in the policy. Could not the banks with great advantage take the views of their customers into consideration? In view of their national ramifications this would present some difficulties, but if there were more opportunities for the management and directors to meet with the important customers of the bank and to discuss the policy of the institution we believe there would be a better basis of understanding and an opportunity for education which would do much to overcome the growing prejudice against the big financial institutions and their methods. Whether this could be carried so far as to have the depositors represented on bank directorates is a point which experience in closer relations might decide, but it, too, is worthy of consideration. Such representation might go far to offset the unfavorable sentiment created by some few incidents, such as the election of directors where social pull, rather than business capacity, has been the deciding influence.

A WIN FOR THE INCOME TAX PAYER

INCOME Tax payers will be gratified to learn of the recent decision of Federal Judge Mayer in the United States, to the effect that dividends paid in stock are not "income," and therefore are not liable to income tax.

This decision of Judge Mayer was given in a suit instituted by Mrs. Macomber, who sued to recover $1,342, which she alleged had been illegally collected by the Collector of Internal Revenue as part of her income tax for the year 1916.

The facts of the case were as follows:—Mrs. Macomber was the owner of 2,200 shares of stock of the Standard Oil Company of California on January 16, 1916, when the directors voted a stock dividend on a basis of one new share for every two old shares. Mrs. Macomber received 1,100 shares as her dividend. In filing her income tax return for 1916, she listed 18 per cent. of the par value of the shares as income, the percentage being determined by the proportion of the Company's surplus acquired after March 1, 1913.

On this item Mrs. Macomber paid under protest the sum which she sought to recover from the collector.

The case turned on the constitutionality of an amendment of 1916 to the income tax law, which expressly classified dividends paid in stocks as "income" when the distribution of such stock was provided for out of earnings accruing since March 1, 1913, the date of the enactment of the original income tax law. The amendment followed the Supreme Court decision in Towne vs. Eisner.

Only 1916 assessments are affected by the suit, but if the decision of Judge Mayer stands, all income tax collected on stock dividends in 1916 will have to be repaid by the Government. As the total sum involved runs into millions it would appear certain that the case will be taken by the Government to the United States Supreme Court.

Other phases of the application of the income tax law to dividends paid on corporate securities will be before the courts in suits instituted by J. Pierpont Morgan and others.

BIG BUSINESS AND PUBLICITY

THE packing and milling industries have been constantly and viciously attacked for the way in which they have been conducting their business in Canada, until they have come to be looked on as conscienceless profiteers. They seem badly in need of a good publicity department, which would do something to set them right in the eyes of the people.

As a matter of fact, neither industry can be shown to have been guilty of the sin of profiteering during the war. Both have been rigidly restricted in the matter of profits; the packers to a profit of two cents a pound, and the millers to twenty-five cents a barrel. Neither profit can be called excessive; and those concerns which have made large profits have done so as a result of a large turnover.

Many firms in both industries have operated at a loss. Yet they figure in the eyes of the public as the outstanding examples of big interests which should be curbed because of their greed. So long as they do nothing to combat this reputation by wise publicity, they need not expect sympathy or even fair play.

GOOD BUSINESS AND THE PRICE OF WHEAT

THE action of the Saskatchewan Legislature in asking the Dominion Government to fix a price for the 1919 Canadian wheat that will "approximate as nearly as possible to the price guaranteed by the United States Government," indicates that they have not forgotten to play politics in the great prairie province—even though the adroit Jim Calder has changed the scene of his activities to the capital. It is significant that the Manitoba Grain Growers and the United Farmers of Alberta have refrained from asking the Government to do anything so economically unsound.

THE FINANCIAL POST contends that the market for Canada's wheat should be the maximum price that can be secured from the consumer. It will be in the interests of Canada as a whole to sell at the highest possible figure in the foreign market. If we have any claims upon the Allies that production was increased for their benefit rather than our own and that they should consider this, such arguments should be advanced for what they are worth. But to fix a price to the home consumer above the actual market value as set by the law of supply and demand will be merely a case of the Government putting its hand into the pocket of one class of citizens and taking therefrom to hand to another class. The American situation is a different matter and entails a pre-armistice obligation. It would be poor business for us to continue war measures after the war is over.

The farmers' organizations are taking a broad view of the matter. We believe their leaders can be trusted to think nationally on this and other issues, including the tariff, if they are properly approached. Typical of sound Western thought is the following constructive opinion on the wheat situation from the annual report of President G. R. Marnock, of the Lethbridge Board of Trade:

> "The issue raised over the price of wheat next year and all the larger issues involved must be met and must be settled by ourselves. Nothing the peace conference can do can relieve us of this necessity and this responsibility. Specialists and practical men should be called upon at once to present a sound program of good business for Canadian agriculture and the country should back that programme to the full."

EDITORIAL NOTES

IF, as the Toronto *Telegram* claims, Sir Adam Beck and the Hydro are responsible for the fact that Toronto consumers are not still paying ten or twelve cents a unit for electricity, who is to be given credit for the equally cheap or cheaper service in Montreal?

* * *

IT is reported that the Ontario Legislature is considering "blue sky" legislation for the protection of investors. If the Legislature wanted to do something of real benefit to investors, it might repeal some of the measures which have been placed on the statute books at the behest of Sir Adam Beck.

* * *

THE Willys-Overland Co. has announced a profit-sharing policy, whereby half of earnings over and above a fair return on capital invested will be distributed to employees. The plan will be retroactive to January 1, and will amount to hundreds of thousands of dollars annually and affects 10,000 employees.

* * *

THE Germans and Austrians have a great advantage over the Allies. Their armies are disbanded, and their experts are getting back to work. Many of them started early in December. On the other hand, the Allies still retain practically all their best experts and pivotal men in the army, and they have not yet begun to reorganize their works to a peace basis. In fact, letters just received from Britain say that reorganization is being held up indefinitely on this account.

AMALGAMATIONS—AND THEIR PART IN BUSINESS

A Discussion of Some of the Advantages and Disadvantages of the Present Wide Movement

In almost every country of the world there is to-day observable an increasing tendency towards amalgamations in finance, industry and commerce. These combinations assume various forms. In certain instances they represent no more than a working arrangement under which the consenting parties lose nothing of their independence, except in so far as they have agreed to work together in the future to extend and exploit foreign markets, instead of competing among themselves as hitherto. In the shipping world, the tendency is towards the absorption of small undertakings by the more powerful concerns; in the industrial world, exporting manufacturers are combining for the purchase of raw materials and are seeking to attain a singleness of effort in overseas spheres; while in the financial world, joint stock banks have pooled their assets with the view of accepting in the future far greater credit responsibilities than they have been in the position to contemplate in the past. In the history and expansion of industry and commerce, this movement towards concentration of effort is as inevitable as it is natural, and there could perhaps be no more remarkable an instance of that insularity and obstinate refusal to learn from the outside world, which have always hampered our commercial progress, than the genuine cry of alarm which has resulted from the energetic application of this principle of cooperation. The British industrialist, like the agriculturist, has in the past obstinately clung to obsolete methods of production and distribution, refusing the lessons of experience even when such experience was decidedly unpalatable and affected both his pocket and prospects. Germany, for instance, was very late indeed in entering the industrial field. Without a meticulously organized effort she would certainly have failed to gain admittance at all. Yet immediately before the war she was industrially the most strongly organized nation in the world, possessing some four hundred cartels, or amalgamations, such as those we are now setting up, which she used as instruments in her policy of peaceful commercial penetration. Wherever the British exporter came single-handedly into conflict with those organizations, he was ignominiously routed. America, likewise a late entrant into commercial fields, met the German effort by concentrated production as represented by the big industrial unit, and once again the material effect was considerably to our disadvantage. There is nothing mysterious in this result. The big industrial unit or combination can manifestly produce more cheaply than the small undertaking. Saving results from the elimination of waste due to overlapping; management costs are lower than they can possibly be in the case of a number of concerns operating alone; a large and regular absorption of raw material by one undertaking reduces the price of that raw material, because competitive purchasing is reduced; an enormous output permits favorable railway and freight rates to be obtained; and, finally, selling both at home and abroad is co-ordinated and organized. These are all substantial items which go to regulate the price of the finished article. They demonstrate clearly why the big producer always finds it possible to undersell the small producer. At the same time it must be borne in mind that these economies by no means constitute an argument in favor of monopolies. Competition is as essential to the health of a combination as the excess of it is harmful to the individual producer. But from the combination of some dozen or so concerns engaged in the manufacture of identical or similar articles, to the establishment of an effective monopoly, is a long step, and one which the industrial history of the United States would seem to prove an impossible one. It was, in fact, not the Sherman Anti-Trust Law in the States that discredited the idea of the single trust so much as the discovery from experience that an industrial unit can easily become too unwieldy for efficient management, entailing loss rather than profit.

In Banking World

It is, however, in the banking world particularly that the operation of the principle of combination appears to have been most misunderstood and to have caused widespread misgivings. There are, it would seem, people, not necessarily identified with the labor party, who seriously believe in the practicability of a financial monopoly. They attribute to some unknown group of individuals the sinister design of absorbing and arbitrarily controlling the whole financial resources of the Empire. Such people might study with interest and profit the attempt that was made a few years ago in the States to establish a financial monopoly, and which failed because of the inherent and intensely diverse interests that must always prevail in the money market. Even if diversity of interest did not render such a monopoly completely impossible, we are in this country protected by the Government, whose sanction of a proposed banking amalgamation is an essential preliminary. The truth is, that in developing this policy of combination, banks have not led the way, but have followed in response to an external stimulus. Finance depends for its very existence upon industry and commerce, and the latter cannot undergo expansion to huge dimensions without the former suffering modification. A little more than twenty years ago every town in Britain of a certain size and importance possessed its own particular bank. As a consequence, our national wealth as represented by our annual savings lost effective strength because of lack of concentration. The purely local bank, which more often than not was a private or family concern, was capable of granting only very limited credits to individuals or small undertakings. Big industrial enterprises were practically prohibited by these conditions. With the greatest reluctance these banks were at last compelled to extend their fields of operation in response to the amalgamative tendencies which have manifested themselves in every country of the world for the past half century. To meet the new and insistent demands upon their resources, these banks were forced to combine, to accept national instead of merely local responsibilities. In twenty years the number of English banks has been reduced from two hundred to under thirty, during which interval banking failures, previously of only too frequent occurrence, have become almost unknown. While joint stock banks, therefore, have admittedly attained comparatively enormous proportions to-day, they have developed in strict accordance with the expansion of industry, which expansion those banks in turn have alone rendered possible. The more recent combinations with which we are at present concerned result directly from the industrial reorganization now taking place around us. They represent no more than an attempt on the part of the banks to meet an immediate or prospective intensified industrial demand for credit. In dismissing the subject the London "Economist" remarks: "When production was organized in platoons, making demands for credits that were nominally expressed in thousands of pounds, little local banks with small resources sufficed. Now that production is organizing itself in divisions—not to say army corps—and the tactical unit has become big enough to want credit by the million, perhaps by the milliard, the banking system has rebuilt itself on a scale to meet the new position." Finally, it may afford a modicum of comfort to those who cower beneath the bugbear of some imagined financial monopoly, to learn that while the London Joint City and Midland will have deposits of 314.000.000, Lloyd's, 300 000.000, the London County Westminster and Parr's, 250 000 000, the Deutsche Bank will have 450.000 000, the Disconto 300 000 000, and the Dresdner, 220,000,000 respectively.

As To Advantages

A complete view of the advantages or disadvantages of widespread amalgamations is only to be derived from the consideration of the end to be achieved. Those who proclaim war a outrance against combination of any and every description, likewise clamor loudly for a strict reversion to pre-war industrial and commercial conditions. They could not clamor more vainly for the moon! Considering alone the financial burden we shall have to shoulder for some generations to come, a retrogression to old conditions would involve us in national bankruptcy. While the Government has pledged itself to restore unimpaired trade union customs and privileges, labor itself has come to realize clearly that circumstances arising from the war will in many instances render the restoration of those customs, restrictive as they often were on output, undesirable in the interests of labor itself. High wages will demand increased production and profits. In the course of the past three years, machinery and methods of manufacture have undergone many changes, which must in their nature be permanent. New and up-to-date plant has been installed; operations have been sub-divided and standardized in ways upon which it would be difficult to go back; new conceptions of efficiency have been introduced into industry. With men and modern machinery working at high pressure, production has been accelerated to a degree hitherto unknown, and the employer expects, and is prepared to pay for, a far greater output from each worker than he could hope for before the war. While the pressure on both man and machine must be moderated, there can be no doubt that our industrial output will still be far in excess of that of former times. And it is on the basis of this increased output that the employer foresees the possibility of successful competition in the markets of the world. It is at this point that the matter becomes of particular interest to each one of us, since each one of us will be called upon to contribute

Continued on page 11

PERSONAL

LT.-COL. R. W. LEONARD, of St. Catharines, president of the Coniagas Mines, was elected president of the Engineering Institute of Canada for the present year.

E. G. O'CONNOR, who died this week in Montreal, had a wide newspaper career and was also well-known in business circles. He became financial editor of the "Star" in 1878, and managing editor the following year. In 1885 he was appointed general superintendent. The next year he was chosen as general manager of the Burland Lithographic Company, and ten years later was appointed general manager of the "Herald." Later on he acted as business manager of the "Standard," and from 1911 held the position of president of the Diamond Light & Heating Company. He also succeeded Hon. G. P. Graham as president of the Herald Company.

MAJOR W. M. KIRKPATRICK, who has been made assistant freight traffic manager of C.P.R. Western lines with office at Winnipeg, is a son of the late Hon. Sir George A. Kirkpatrick, Speaker of the Canadian House of Commons and afterwards Lieutenant-Governor of Ontario. Major Kirkpatrick joined the C.P.R. in March, 1892, as clerk in the freight department at Montreal, and in 1899 became chief clerk. On January 1, 1903, he was appointed assistant general freight agent at Vancouver, and in 1905 export freight agent at Montreal. In March, 1907, he became general freight agent at St. John, and in December of the same year general freight agent at Toronto. He joined the 87th Battalion, Grenadier Guards, in September, 1915, as captain and adjutant, going overseas in April, 1916, and to France with the 4th Canadian Division in the following August.

ALFRED G. FLETCHER, who has recently been elected vice-president of the American Foreign Banking Corporation, was born in Brampton, and is well-known in Toronto. Mr. Fletcher's early banking training was gained during seven years' service in the Canadian Bank of Commerce. Leaving there in 1902 he took an active part in the organization and management of the Metropolitan Bank, being superintendent of branches in that institution when the Bank of Nova Scotia merged with it in 1914. After the amalgamation he was engaged for a time in special investigative work for the Bank of Montreal and went to New York in the summer of 1917 to assist in the organization for war work of some large industries in the United States. The American Foreign Banking Corporation is a "bankers' bank," brought into being about a year ago under special provision of the Federal Reserve Board of the United States; its purpose is to extend American foreign banking facilities, and it is fast becoming an important factor in the organization and development of world trade and commerce, in which the United States are now so greatly interested. The corporation is owned by some thirty-five of the leading National and State banks in the chief cities of the United States and the Standard Bank of Canada. These constituent banks have aggregate assets approximating two billions of dollars. Mr. Fletcher is associated in the administration of the American Foreign Banking Corporation with Mr. Archibald C. Kains, president, and Mr. T. Fred Aspden, vice-president, both of whom are Canadians and saw long service in the Canadian Bank of Commerce.

W. A. BLACK, who is best known in the industrial world as vice-president and general manager of the Ogilvie Flour Mills Co., and is also general manager of the Kaministiquia Power Co., and a director of the Molsons Bank, received an unusual tribute in completing his term of office this week as president of the Montreal Board of Trade. A resolution was adopted with much enthusiasm, declaring: "That at the various gatherings of members and other citizens assembled in this hall during his year of office, Mr. Black has presided with great acceptability to those attending, and that his discreet chairmanship of the public meeting held December 13th, with regard to the threatened strike of certain civic employees won admiration from citizens generally;

"That as chairman of the Board of Arbitrators, which was the outcome of that meeting of citizens, Mr. Black has, with the other four members of that board, given untiring and almost daily service for the past five weeks, and the members of this board are proud that their president has thereby shown such splendid public spirit;

"That this meeting notes with great satisfaction that, after thirty years absence from Montreal, Mr. Black has in many ways given good proof that he has not lost interest in his native city, and that his most capable discharge of the presidential duties of this board have well justified the declaration he made in his inaugural address to the members a year ago, that his pioneer experience in the West had broadened his vision, for he has shown a wide grasp of the questions which have come before the board during his presidency."

Every Security Holder should have this New Booklet

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Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

THE C. M. B. A.

J. E. B., Quebec—Is the C.M.B.A. of Canada, with head office in Kingston, considered in a safe financial position to take insurance in?

The Catholic Mutual Benefit Association of Canada is operating on a sound actuarial basis. It is one of five fraternal benefit societies which are conforming with the requirements of the Dominion Insurance Act of 1917. Under this act it must levy assessments adequate with its other available funds to meet all obligations under its policies without deduction or abatement. As you are aware, there has been a movement of recent years, more or less successful, to place the various benefit societies on a sound actuarial basis. In the case of the C.M.B.A., this step was taken in 1914, when the Grand Trustees sought and procured legislation from Parliament authorizing them to increase the rates of members to an amount sufficient to make the Association actuarially solvent. These revised rates went into effect on July 1, 1915.

MINING CORPORATION

T. J. C., New Toronto—Could you give me information on Mining Corporation, as to what mines they own or lease and when they pay dividends?

The Mining Corporation of Canada owns the following silver properties at Cobalt: The Cobalt Townsite, the Cobalt Lake, the Townsite Extension, and the City of Cobalt. It also owns the Cobalt Reduction Co., which operates a concentrating mill and cyanide plant at Cobalt. The Corporation ranks as the second largest producer of silver in the Cobalt camp, though it is understood that its ore reserves are showing signs of depletion. However, it has a big cash surplus, and for some time past has been engaged in prospecting for new properties in other parts of Canada and in the United States, which should eventually enable it to continue operating profitably.

The Mining Corporation has so far paid a quarterly dividend. During 1918 its record was as follows: On March 15, 12½ cents a share, plus 12½ cents a share bonus; on June 15, 12½ cents a share, plus 6¼ cents bonus; on September 15, 12½ cents a share, plus 6¼ cents bonus, and on December 14, 12½ cents a share, plus 6¼ cents bonus. During the year, therefore, it paid 81¼ cents a share.

KEEP INFORMED

Investors will be interested in our new Booklet of Investment Securities. Among other valuable information, it contains latest available earnings, financial position, etc., of many of Canada's most prominent industrial enterprises.

Write for a copy to-day.

ROYAL SECURITIES CORPORATION, LIMITED
164 ST. JAMES STREET
MONTREAL

DOMINION MANUFACTURERS

W., Nova Scotia:—"About what is the market price of Dominion Manufacturers 7% preferred? Do you consider it a good buy now, at the market?"

Reports in connection with the company's affairs are that the volume of business has been showing a great increase with, of course, a satisfactory margin of profit. It only needs a reference to the highly increased death rates, as indicated by the reports of the ininsurance companies, to prove that there has been opportunity for greatly increased output.

As regards the present market for the preferred stock there has been no trading recently to definitely set a market basis. Under the circumstances and in view of the fact that the stock is not listed we think you would be wise to wait until there is a more definite indication of value. We have heard of bids of 50 but we do not hear of any sales at this figure.

NATIONAL STEEL CAR

Edmonton—It has been a long time since the shareholders of the National Steel Car Company have received any information regarding the company's affairs. Have you any infor[illegible]n as to what is developing?

We are now assured on good authority that there have been the strongest reasons for withholding information and the directors feel that this course has been entirely in the best interests of the shareholders. The company has been in difficulty as the result of an unfortunate contract. Sir John Gibson, the present president, who has been devoting much of his time to the company's affairs, spent about four or five months in Europe about the beginning of last year, and with the aid of the British Ambassador in Paris and other public influences made headway towards what was considered a favorable settlement; however, it was found difficult to reach a satisfactory settlement as the officials of the company placing the order were inclined to exact the full letter of the contract. For the present the best that can be said is that he company has a num- said is that the company has a num- progressing, but is not in a position, according to the directors, to give out very much information.

BUSINESS PROFITS TAX

S. M. S., Exeter—We saw in THE POST of the 18th the following: "The Business Profits War Tax Act ceased to apply on the 31st day of December, 1918, except in the case of any company or person who failed to make returns." How would that affect a company which reported last March 31st, that being the end of the business year, and could not get out another annual statement until March 31st next? We would like to have your views on this point.

Our understanding of the matter is that you will not be called upon to make any return for the year ended March 31, 1919. unless the approaching session of Parliament decides to extend the Business Profits War Tax Act for another year. The original Act passed in 1916 was made to cover the three years 1915, 1916 and 1917. In 1918 the Act was amended to cover 1918 and it remains to be seen whether the Government will ask for its extensions to 1919. In each year the tax was levied for the accounting period ending in that year.

MEXICAN NORTHERN POWER

Tillsonburg—I am a holder of bonds and stock in the Mexican Northern Power Company. Can you give me any information as to the present position of the company's affairs?

In reply to your enquiry about Mexican Northern Power would direct your attention to an article regarding the proposed reorganization of the company appearing in this issue. Briefly the basis of the reorganization is that the holders of the $2,000.000 of prior lien bonds will receive $1.50 per $1 in preferred 7 per cent. stock. That is, there will be an issue of $3,000.000 of preferred stock to replace the $2.000 000 of prior lien bonds. The holders of the $10 000.000 of first mortgage 30-year bonds will receive common stock or an equal amount. The $12.600,000 of common stock which represents water will be wiped out.

While the position of the bondholders will be changed to that of common stockholders their position will not be so greatly altered as might seem. Even with bondholders there was the prior charge of the notes for $2,000,000 and the holders of these notes had the right to close out the property. Now there will be an additional million dollars represented in the preferred stock of $3.000.000 and the new common stock represents the second claim against the property.

The future of the company is uncertain owing to the conditions prevailing in Mexico. Should the air be cleared and conditions settle the property, which is in good shape, could undoubtedly be profitably operated and there will only be the $3.000.000 of 7 per cent. preferred stock to provide for before the holders of the common stock are benefited.

AMALGAMATIONS—AND THEIR PART IN BUSINESS

Continued from page 10

directly or indirectly a due proportion of the costs of the war.

Those costs, so far as one can calculate at present, will by the end of March, 1919, total approximately £6 850 000 000 net, entailing an annual charge of £380 000.000. How are we to meet that charge and at the same time reduce the original debt? Optimists talk vaguely of an indemnity from Germany. We have every moral and other claim for such compensation from the people who plunged the world into warfare, but Germany waged her war on a promissory note basis, having no regard for gold or other reserves, and she will be able to redeem those notes and maintain her solvency by means of an external loan alone. She has also to rebuild Belgium and the other countries she ravaged. She has to compensate civilians for outrages perpetrated by land, water, and in the air. Her existing mercantile marine will be absorbed in replacing ships sunk in the course of her submarine campaign and her shipbuilding activities partially mortgaged for some years to come for the same purpose. Moreover, she will enter upon the tremendous struggle the satisfaction of these claims will entail handicapped by the loss of Alsace-Lorraine and the wealth from those ill-gotten coal and steel industries which first awakened in her the lust for world domination. The chance of our receiving any contribution towards our war costs from this direction, therefore, appear slender in the extreme. There remains a second suggestion, which proposes an appropriation of private wealth to be devoted to the reduction of the debt. Such an appropriation, or more fitly misappropriation, would be productive of the direst consequences. Whether it took the form of a supertax on income or multiple death duties, it would reduce capital and destroy that desire to accumulate which increases capital.

A reduction of capital would limit industrial expansion with a consequent decrease in the demand for labor, lower wages, and, to complete the vicious circle, higher taxation of the working man. It is an anomaly that while no one should be so solicitous regarding the safety of capital as the working man, labor conferences should pass their time voting resolutions which, in their effect, would be diametrically opposed to the interests they are presumed to represent. It becomes obvious, therefore, that we must seek strength to support the post-war financial incubus in the normal channels of industry and commerce. Briefly, we must labor and sell to the world the products of our labor, in order to meet our liabilities. There exists no other nationally healthful way in which we can face the issue. It follows that if we have to raise an annual income many times in excess of our pre-war income, the output of our industries must necessarily undergo a corresponding increase. Also it must be borne in mind that the competition we shall encounter in foreign markets will be intensified a hundredfold. To maintain our position in the face of such opposition, production, on the one hand, must be cheapened, despite the fact that the wages of labor are likely to remain at a high level, and, on the other hand, the marketing of our goods must be organized. These considerations render the formation of amalgamations or the establishment of big industrial units imperative. For where between two countries rivalry exists, while the costs of raw materials and of labor are the same, the one can only undersell the other by reducing management and other incidental charges, and by efficient salesmanship. This has for long been so clearly recognized in Germany that while the war was in progress combinations were effected between banks, factories, railway and shipping lines. We are very far, indeed, from the creation of any such colossi, but we need not fear the competition of even such an all-embracing amalgamation if we encourage concentration and large scale production at home. There is no reasonable ground to fear that the home consumer will be exploited because competition will be reduced. It has been discovered in the United States that the competition between big industrial units is fiercer than that between small undertakings, to the ultimate advantage of the consumer, of course. Anti-trust legislation in the States has given birth to many misconceptions throughout the world.

There is none greater than that which confuses a combination or amalgamation with a single trust or monopoly. While America—and in this respect she differs not at all from any other nation—will not tolerate a monopoly, she encourages and fosters serviceable amalgamations and combinations. Quite recently, in fact, Congress passed a law making it expressly legal for manufacturers to combine for export trade, while Mr. Hoover, the Food Controller, recently urged milk distributors to combine in the interests of economy. The refined copper consumers of the world have benefited incalculably from the tremendous struggle waged between the Anaconda and Kennecott-Utah concerns, which are amalgamations centrally controlling interests extending from Alaska to South America. If a monopoly were really the highest industrial desideratum, these two undertakings would have covertly combined long ago. They have not done so, nor are they likely to, because each already has more business than it can handle, and secondly, because public opinion would never sanction such a combination. In this respect the Sherman law remains a dead letter. Those people who see in every suggested scheme of co-operation a dark intent to establish a monopoly for the pillage of the long-suffering public would do well to bear in mind the elementary fact that a monopoly of any description is only practicable where the supply of raw material or of the marketable commodity is very definitely limited; where supplies are unlimited, abnormal or artificially high prices give birth instantly to unlimited competition. There is, therefore, nothing to be feared from comprehensive amalgamations or big industrial units, which are indeed the last word in modern progress. On the other hand, there is everything to be gained from them; and we, who in the past have been the world's greatest traders, and who, in view of the financial crisis confronting us, must at all costs maintain that position, will do well and wisely to encourage those tendencies to combination at present operating around us, rather than to hamper and discourage them by ill-advised criticism and equally ill-advised fears.

As Others See It

A COOL ASSERTION

Grain Growers' Guide

In connection with its setting forth of some of the plans for the operations to be carried on by the newly-established Ottawa headquarters of the Canadian Manufacturers' Association, THE FINANCIAL POST, of Toronto, after mentioning the securing of orders for the manufacturers by the Government and the provision by the Government of credits, says:—

"It may quite possibly be that Canada will be in the position or having to subsidize steamers for the development of export markets, but such a service to the manufacturer would only be on a par with the maintenance of inland water and rail transportation service which are largely for the benefit of the farmer in the marketing of his products, and which have been estimated to represent an expense to the ratepayer of between three and four cents per bushel on every bushel of wheat sent to the price-setting market at Liverpool."

This cool assertion that the railways of Canada and the inland water transportation system were created mainly for the benefit of the farmers of Canada, and are maintained mainly for the benefit of the farmers, is quite on a par with many other statements made in journals which pander to the plutocratic mind and give what help they can towards the realization of the plutocratic plans and purposes. The manufacturers of Canada make equal use of the inland transportation systems of the Dominion, rail and water, with the farmers, for the carrying of their raw materials, their fuel and their other supplies, and for the shipping of their finished products to the various distributing centres of trade throughout the country.

The Toronto financial journal, from which the foregoing extract is reprinted, was loud in its clamors in 1911 against giving the grain and livestock products of the farmers free access to the market to the south. Its opposition was based on the plea that it was vitally necessary to the national and the Imperial safety that traffic should move east and west, so that the business, financial and manufacturing interests of Eastern Canada could derive benefit from the agricultural development of Western Canada and supply Western Canada with manufactured articles.

A WESTERN TARIFF VIEW

Calgary Albertan

THE FINANCIAL POST admits that the Government, during the approaching session, may yield to the West and remove the surtax tariff. That was the additional 7½ per cent. which was imposed shortly after the outbreak of the war. THE POST tells its readers that the Government will act unwisely by adopting any such course—because has not the Government taken many millions out of the consumers by this tax—but since it is a war tax, perhaps it is not as sacred as some other part of the tariff, and accordingly it may be removed by the Government.

It further says that the Government has no intention of touching the tariff during the approaching session, though some rash man may step forward and throw the apple of discord right in the midst of the timid members. However, it adds that the 7½ surtax that the Borden Government, in the name of the war, added on to the rest of the tariff at a time of emergency, might be thrown to the Western wolves to keep them quiet for a time without making any concession on principle.

The Liberals acted wisely in joining issue with the farmers and uniting upon this great principle. Unitedly the West may succeed where in division it would not. If the West secures such a slight concession as the removal of the 7½ per cent., and a reduction in some other lines this session, it will be but the beginning, for the tariff must go.

CURRENT OPINION

Under this heading are published, for the information of our readers, the views of leading newspapers and individuals.

Their reproduction does not imply their endorsement. On the contrary, the investigations of THE POST'S editors often lead to entirely different conclusions from those quoted below.

THE LEVEL-HEADED FARMER

Wall Street Journal

Tariff agitation is once more a Canadian diversion. Part of the old Liberal group maintains free trade is an inherent priciple of life. Another large part insists Sir Wilfrid Laurier took refuge from the theories of extremists in a highly protective tariff: just as did the Democratic party, with a Wilson as chairman of the House Ways and Means Committee.

Eeach faction of the Liberal party expects reinforcements from the farmer vote of the provinces which produce Canada's basic exports. Farmers' organizations with aggregate membership of forty thousand prosperous land owners have been given a large share in the Union Government, which for the duration of the war at least marked the coalition of Canada's most impressive manufacturing, producing, financial and transportation interests.

"New markets in the States, with a next-door neighbor whose demands are inexhaustible," does give the Western tariff reformers standing with Western farmers. The "new markets" are bound to come, tariff or no tariff. They are here now. Canadian private interests with American private interests, and American private interests with Canadian private interests, would perhaps be less affected by radical change in the tariff, and therefore in the fiscal and financial policy of Canada, than the farmers themselves.

With a billion and a half public debt and with thirteen thousand miles of railroad operation pensioned for keeps, Canada would have to replace tariff revenue with heavy domestic taxation. With lowered cost of farm equipment, of wages, of food and clothing, the farmer would have to readjust the prices of his products downward; he would have, in the infancy of his country's development, to sacrifice a degree of virility which high standards alone give him. Not all the farmers who will ever dwell between the Great Lakes and the farthest Northwest could co-operate that economic result out of the verities of the future.

But then, like other people, the farmers have level-headed, successful business leaders who know very well that in new countries at least there must be a good home market before there can be any good foreign market. And they are more than likely to act accordingly.

Victory Bonds
(*all issues*)
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IMPERIAL MUNITIONS BOARD OFFER FOR SALE

PLANT AND EQUIPMENT (IN PART) OF

British Chemical Co. Ltd., Trenton, Ont.

TENDERS accompanied by marked cheque for 5 per cent. of the amount of the bid will be received by the undersigned up to and including February 27th, 1919, for the purchase of the following, located at Trenton, Ontario:

ITEM No. 1. SULPHURIC ACID CHAMBER PLANT—2 Complete Pratt Patent Sulphuric Acid Chamber Plants equipped with Glen Falls sulphur burners and pyrite burners, cap. 31,000 pounds of sulphur and 40 tons pyrites per day. Chamber space, 200,000 cubic feet. Capacity of unit 60 tons of 60 deg. sulphuric acid per day.

ITEM No. 2. SULPHURIC ACID CONCENTRATOR—This plant consists of 8 Skoglund Concentrating Units complete. Each unit has an operating capacity of 25 tons, 66 Deg. Sulphuric Acid per 24 hours.

ITEM No. 3. NITRIC ACID PLANT—Consists of 24-6000 pounds Cast Iron Retorts, oxidising and absorption towers. This plant has a nitre storage of 2,000 tons capacity and 2 rotary soda dryers. Acid mixing house attached to this plant is equipped with 9 horizontal mixing tanks.

ITEM No. 4. SMOKELESS POWDER PLANT—(a) Manufacturing Line—A complete plant for the manufacture and finishing of smokeless powder, operating capacity of the line 50,000 pounds per day.

(b) Ether Alcohol System—Complete Badger equipment for the manufacture of ether, consisting of 3 sets of Dephlegmators columns and condensors with 2 ether pots per set. Three complete alcohol rectifying units, capacity 30,000 pounds per unit per 24 hours. Alcohol storage for 1,500,000 pounds, with equipment for denaturing the same.

(c) Refrigerating Systems—2 Refrigerating plants, one consisting of 2-25 ton units and the other consisting of 1-50 ton unit, both complete in detail.

ITEM No. 5. LAND—255 Acres—The Plant is situated on the Trent River—5 miles standard gauge track (leased) connecting with the C.P.R., C.N.R. and G.T.R. 2 Miles narrow gauge (owned).

There is available 6,000 electric H.P. with the necessary electric installation. The plant is completely equipped with the required auxiliary buildings, such as store houses, shops, office buildings, together with housing facilities.

Tenders will be considered for any one or all of the above items, together with any of the auxiliary buildings.

Intending purchasers will be given every facility to inspect the buildings and equipment. Complete information may be obtained from the undersigned.

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NEWS OF THE BOND MARKET

BOND MARKET ABSORBS BIG BLOCK EASILY

Grand Trunk Pacific Issue of Over Five Millions

OTHERWISE QUIET

Several Large Issues Reported to be Pending, But at Present Little Doing in the Market

The ease with which the Canadian bond market this week absorbed the $5,000,000 issue of Grand Trunk Pacific Railway bonds has been exceedingly cheering, demonstrating as it did that, in spite of adverse conditions in the United States market and heavy absorption of war bonds at home, there continues to exist in Canada a decidedly strong buying power. For a few days during the progress of the sale, there was a tendency on the part of other issues to weaken, but no sooner was it apparent that the whole block had been placed and that without meeting the demand, than prices once again firmed up.

Of course it must be clearly recognized that the Grand Trunk Pacific issue was exceptional in character. It was virtually a Dominion bond, of remarkably long term, offered to yield 5½ per cent. To institutions like the life insurance companies, it made a special appeal and it is not surprising to learn that the big bulk of the issue was placed with institutional buyers. So far as ordinary issues are concerned, it is doubtful whether the market is in quite so favorable a mood, the individual investor not buying at all largely and there is a tendency to accept only such offerings as look attractive in the matter of price. In a word, the feeling at present is one of hesitancy.

Across The Border

A Toronto bond dealer just back from a trip through the middle States reports the outlook there as rather pessimistic for Canadian issues. The income tax is proving a serious factor and it is forcing investors away from taxable Canadians, albeit offered at a good yield, into tax-free state and municipal issues. The next Liberty Loan, which is not going to prove the popular flotation that its predecessors were, is already having a prejudicial effect and, in this dealer's view it will be a considerable time before there is much chance for Canadian bonds in the United States market. He looks for an early reflection of American conditions on the Canadian market.

Big Issue of Week

It was known in bond circles early last week that an important offering was pending but the secret was well preserved and it was not until this week that news of the issue became public property. The offering was that of £1,081,200 ($5,254,632) of Grand Trunk Pacific Railway Company 4 per cent. coupon bonds, dated July 1, 1914 and due January 1, 1962, guaranteed by the Dominion. The original dispositions of these bonds has not been disclosed but the FINANCIAL POST is advised that the present offering does not represent a first sale and that in consequence the raising of new money is not involved. The bonds were secured by A. E. Ames & Co. and were offered by them in conjunction with Wood, Gundy & Co. and the Dominion Securities Corporation at 75.37 and interest, yielding 5½ per cent. The issue was placed with great rapidity, all but a very small fraction being sold in Canada.

Favorable Features

In circularizing their clients regarding the Grand Trunk Pacific bonds, the Dominion Securities Corporation point out a number of interesting features. They refer, for instance, to the fact that principal and interest being payable in sterling at a fixed rate of exchange, a market is assured for the bonds in London as well as in Canada and the United States. The G.T.P. bonds are quoted on the London, Eng., stock exchange, which is a distinct advantage. Further the heavy discount at which the investment may be purchased would indicate the possibility of substantial appreciation in a rising market.

Wood, Gundy & Co., refer among other matters to the attractiveness of the price, which is well illustrated by a comparison with the prices at which the Canadian war loans are now selling. The Victory Loan issues due 1937 and 1933 at present prices yield 5.23 per cent. and 5.33 per cent. respectively. The 5 per cent. war loan issue, due 1937, yields 5.17 per cent. There is a splendid opportunity for enhancement in value since bonds of this character sold before the war on a 3.90 per cent. to 4 per cent. basis.

There was spirited competition for a $40,000 bond issue of the School Commissioners of Three Rivers this week. These bear 6 per cent interest and are a 10-year issue, maturing November 1, 1928. Provincial Securities of Quebec were the highest bidders at 99.26. The following tenders were received:

Provincial Securities, Quebec....	99.260
L. P. Mercier, N.P., Three Rivers	99.250
Hanson Bros.	99.110
A. Spinard, N.P.	99,010
A. E. Ames & Co.	98.375
Keating & McRae	98.250
Foster, Barrett, Riepert & Low.	98.210
Hew R. Wood Co.	98.170
Dominion Securities Corporation	98.100
Versailles, Vidricaire & Boulais.	98.060
Credit Canadian	97.790
Beausoleil Limited	97.150
J. A. Trudel, N.P.	97.000

A bid for 99.47 was received from Aemilius Jarvis & Co., but it was not considered on the ground that no cheque was enclosed.

Saskatchewans on Offer

An interesting offering of Province of Saskatchewan bonds is at present being made by the Dominion Securities Corporation. These are sterling bonds in denominations of £100, £500, £1,000; they bear interest at 5¾ per cent. and mature January 1, 1934. The Government may at its option, redeem the bonds at par and accrued interest, on and after January 1, 1924, on giving three months' notice. The securities are a direct obligation of the province, payable out of general revenue, and are exempt from all Saskatchewan provincial taxes, succession duty charges and impositions whatsoever and from all municipal and school taxation in the province. The offering is being made at par.

A Sudbury Offering

An offering of $112,562.83, 5 and 6 per cent. coupon gold bonds of the town of Sudbury, is at present being made by Morgan-Dean, Harris & Co., Hamilton. The bonds are issued under the authority of six by-laws as follows:

No. 553—	$46,000	5%	1-20 yrs.	Waterworks
No. 555—	2,500	5%	1-10 yrs.	Locals
No. 595—	2,442	5%	1-20 yrs.	Locals
No. 596—	12,620	5%	1-20 yrs.	Locals
No. 590—	29,000	5%	30 years.	Parks
No. 618—	20,000	6%	1-10 yrs.	Locals

Morgan-Dean, Harris & Co. offer the serial bonds at a price to yield 5¾ per cent. and the straight term, 30-year bonds, at a price to yield 5⅝ per cent.

Some Other Issues

A despatch from Saskatoon announces the sale to Aemilius Jarvis & Co., at 86.82 of an issue of $91,000, 5 per cent., 30-year bonds of the city of Saskatoon, dated January 1, 1914.

Aemilius Jarvis & Co. have also been awarded the town of Hanover issue of $18,000, 6 per cent., 15-instalment bonds, tenders for which were last week turned down. Jarvis & Co. paid 101.25.

The Local Government Board, Regina, has made the following awards in connection with issues offered for sale on January 24: Wheat Valley Rural Telephone Co., $700, 7 per cent., 15-instalments at 100.02; Lost Horse Creek S. D., $1,900, 7 per cent., 10-year annuity at 100.02; Carmichael Village S. D., $2,500, 7 per cent., 10-year annuity at 100.02, all three to W. L. McKinnon & Co.; Scarlet S. D., $2,000, 7 per cent., 10 instalments at 100.25 and Gallivan S. D., $3,000, 7 per cent., 10 instalments at 100.50 to the Canada Landed Company; Borderland S. D., $2,800, 7 per cent., 10-year annuity, at 99.30 to C. M. Gripton, St. Catharines.

An issue of $7,500,000, 6 per cent. equipment notes maturing serially semi-annually from 1919 to 1929 has been placed recently by the Canadian Northern Railway Company with William A. Read & Co., New York. The issue was sold almost without effort at prices to yield 6¼ per cent. for all except the first maturity.

A VICTORIA SALE

Coast City Floats Additional $300,000 at Favorable Figure

VICTORIA.—The finance committee of the city council held a special meeting on January 23 to consider offers for $300,000 worth of bonds. Eight tenders were submitted, these being entered by the Dominion Securities Corporation; Aemilius, Jarvis & Co.; Housser, Wood & Co.; Morris Bros.; Morrow & Jellett; British American Trust Co.; Douglas, MacKay & Co. and Gillespie, Hart & Todd. The bonds, which bear interest at 5½ per cent., mature as follows: $24,000 in 1940; $47,000 in each of the five years 1941 to 1945 and $41,000 in 1946. They were awarded to the Dominion Securities Corporation on about a 5.90 per cent. basis.

The purpose of the sale was to secure funds needed to retire $1,271,000 of treasury certificates due on Feb. 1. The city had in the bank $1,020,000 for this purpose but needed $300,000 more in order to cover the balance, the cost of remitting, etc. The bonds really form part of an earlier issue, which has been disposed of from time to time as needed.

QUEBEC SURPLUS LAST YEAR OVER MILLION AND HALF

Not a Precedent For Next or Following Years

CAUSE OF SURPLUS

The Total Succession Duties Reached Abnormal Sum of $4,736,547, a Gain of Three Millions

A clear surplus of $1,509,558 will be shown for the Province of Quebec for the fiscal year ending June 30, 1918, or $2,134,558, not taking into account the provision for a payment of $625,000 to the Patriotic Fund, the balance on the million dollar grant made over a year ago.

The ordinary receipts for the year were $13,806,390, and the ordinary and extraordinary expenditure $11,671,832. The revenue showed an increase of $2,365,277 over the previous year, and the expenditure an increase of $23,882.

Succession Duties Large

Looking towards the coming year these figures can hardly serve as a basis for the new budget.

Practically the whole of the increase in revenue over 1917 was due to the succession duties on the estate of the late Sir William Macdonald. The total of the duties was the abnormal sum of $6,736,547, as compared with $1,500,000 to $1,750,000 that could be expected in the average year.

Allowing then even for $2,000,000 from estates, there would be required extra sources of revenue in this one item alone of $2,736,000, and in addition there will be $800,000 revenue from liquor licenses which will be cut off on the first of May next. This, however, would leave only two months, or one-sixth of the total for the year, about $133,333, to provide on this account, or roughly $2,800,000, in order to make a showing equal to 1918. With no Patriotic Fund to meet the Treasurer would require to raise some $636,000 additional over this year in order to break even with expenditure on the same scale as this year.

Chief Source of Revenue

Following are some of the chief sources of revenue during the year as compared with the previous year:

	1918	Change
Dom. subsidies	$2,028,028—	$ 179.962
Lands and forests .	1,610.109—	143.515
Mines, fish, etc. ...	349.144+	163.734
Adm. of justice	475.810—	163,008
Licenses, hotels, etc.	1,375.939+	49.846
Com. corpor'ns. ...	1,289.038+	187.369
Succession duties ..	4,736.547+	2,995.285
Mort. and stocks...	27.250—	50.203
Motor veh. tax. ...	662.919+	168,057
For main. insane...	227,488+	78.550
Registr. stamps ...	164 682+	136 970
Int. loans and dep..	142.497—	42,040
Good roads acct....	192.968+	148.803
Casual revenues ...	327,885+	4,405

Expenditures

	1918	Change
Public debt	$1,983.990+	$ 27,848
Legislation	444.769—	13.373
Civil govt.	705.400+	33.485
Adm. justice	1,216.341+	109 640
Pub. instr.	1,581,454+	3,093
Pub. works	1,057,240+	239.965
Agriculture	724,244+	221,544
Roads	622,858+	231.711
Lands and forests.	411.163+	50,013
Colonization	317 048+	57.442
Lunatic asylums ...	1,017,055+	350,758
Charges on rev. ...	620.235+	273.413
Misc. services	412,492+	142.740
Patriotic fund	625,000	375,000

TO PROTECT INVESTORS

Ontario Legislature May Enact a Law Against Promotions

It is understood that at the coming session of the Ontario Legislature, legislation will be sought to protect the public from the unscrupulous promoter. Such a law was drafted a couple of years ago by officers of the Attorney-General's Department, but when the Dominion Government placed certain restrictions on the floating of loans it was dropped.

Abolition of the necessity of securing the Minister of Finance's consent before floating a loan has again given the dishonest speculator a chance to take advantage of the innocent investor. Approximately a million people put their savings into Victory bonds during the last two or three years. Many of them—perhaps two-thirds of the number—never possessed a bond before. It is feared that unless these people of small means are protected by the passing of "blue-sky" legislation the speculators will avail themselves of the unprecedented opportunity to get rich quick at the expense of the man or woman with only a few hundred dollars savings.

There are various methods by which this check on "wild-cat" companies might be exercised, but it is reported that the proposal which meets with most favor in Government circles is that an officer or board be appointed to investigate all flotations, and whose approval it would be necessary to obtain before placing any stock on sale.

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—Now that the war is over—it seems reasonable to expect that normal conditions will soon return and permit Municipalities to issue loans of a more permanent and conservative character.

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—We are open to purchase total new issues of Government and Municipal Bonds of such short maturities.

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FIELD OF MUNICIPAL FINANCE

TENDER SYSTEM GETS SUPPORT OF CITY TREASURERS

Agree That it Brings Best Results in Most Cases

SOME COMMENTS

Finance Commissioner Bradshaw, of Toronto, Believes the Public Sale Helps Credit of Municipality

Judging by the number of private sales of bond issues by Canadian provinces and municipalities, it would appear that there exists a certain difference of opinion as to the relative merits of the public and the private sale of bonds. The question is naturally one of importance for it should obviously be the desire of the authorities in each case to secure their loans on the best possible terms. Doubtless much could be written both pro and con, but the views of two or three city treasurers at the present juncture may prove illuminating.

That the tender system is always best is the opinion of Finance Commissioner Bradshaw of Toronto, whose success in floating issues during the past two or three years attests his skill as a municipal administrator. Mr. Bradshaw sees no circumstances when it would not be desirable to float bonds in this way. Should the market be weak and uncertain, it would be the course of wisdom to withhold the offering in any case, while with the market normal, the municipality stands to get a better price by inviting tenders.

Favorable Considerations

There are two or three considerations which favor this method. For one thing it relieves a city treasurer of a certain amount of responsibility. He may, for instance, negotiate a private sale and then find a month later that the market has advanced. He becomes the object of criticism and his good judgment is questioned. When tenders are invited and the sale is made openly to the highest bidder, he avoids much of this criticism.

The calling for tenders, Mr Bradshaw believes, affords a certain amount of valuable publicity for a municipality and generally speaking gives it a better standing among bond dealers and investors than would be the case were it to place its issues privately. Everything that tends to build up a municipality's credit reacts on the price of its bonds, and if the calling for tenders helps to achieve this result, it is worth while.

Another advantage attaching to the public sale is this: When all bond dealers are given an equal chance to secure a municipality's bonds and when they see a sale being conducted openly and above board, they naturally feel more favorably disposed towards that municipality in consequence. The good-will of the bond dealing fraternity is a useful asset for any municipality to possess and it is a good thing to cultivate it.

Views of Kingston's Treasurer

O. V. Bartels, city treasurer of Kingston, believes that the tender system is generally the best, though he recognizes the existence of conditions which might modify his view.

"I think," he says, "the tender system for municipalities generally is the best, for the reason that in many cases, especially the rural municipalities, the officials are not posted on market conditions and prices, and, therefore, would be in no position to accept a private offer for bonds. Besides, when the highest tender has been accepted all questions of graft are eliminated.

"If the municipal official selling the bonds is well posted on the market, he may sell to advantage in any one of three ways, viz.: By tender, by private sale, or over the municipal counter locally. When the rate of interest is low on municipal bonds, and there are no clouds hanging over the market, I have found that the best results can be obtained by tender sale. When market conditions are abnormal, as during the past four years, I have found that local sales and private sales obtain the best results.

"When a bond house has an option on the bonds, they may be able to place the whole issue for the municipality at a cost from one-half to one per cent., and when the market is very bad I have been able to obtain the best results by selling locally. Last year I sold locally $118,000, 6% debentures at par, less in some cases one-half of one per cent. to local brokers.

"If a bond broker tenders for bonds in an uncertain market you may be sure his price will be low enough to protect himself against eventualities, while if he knows of the issue and a client wanting bonds, he will be satisfied to place the same on a reasonable commission basis. In the latter case, of course, the municipal official must know the market."

Two Other Opinions

J. Orr Rose, city treasurer of Guelph, states that, "we have always found we get better results by advertising our debentures by tender. In all cases where we have had debentures for sale, we have had tenders from a large number of brokers and, while we always sold to the highest bidder, we invariably kept the price of the other dealers to ourselves."

W. R. Leckie, city treasurer of Hamilton, is quite pronounced in his opinion. He says: "The city of Hamilton has always strongly favored the tender system for selling debentures. I think it is the sure way to get the best price going."

QUEBEC MUNICIPALITIES

Statistics for 1917 are Laid Before The Legislature

Some interesting municipal statistics in connection with Quebec Province were brought before the Quebec Legislature this week by Hon. Jeremie Decarie. The assets of the municipalities at the end of 1917 were $197,626,402, including $26,364,364 cash in hand and tax arrears, and sinking funds of $4,689,675. The liabilities totalled $199,311,468, including $173,824, 617 of unredeemed debentures, and $25,686,851 for other loans and debts. Public utilities owned by the municipalities were valued at $57,508,615. Of 23,773,572 acres of land 20,081,446 are taxable, with a valuation of $1,371,840,772, an increase of $86,324,128 over the previous year. The non-taxable property reaches the large total of $455,986,549. The population of Montreal increased by 62,156 and was given as 700,000.

Reference was made to a large number of corporations whose books "are badly kept, and where the monies received from the taxpayers are not properly portioned out."

WANTS GENERAL MANAGER

Town of Grand Mere After New Form of Government

Among the bills before the Quebec Legislature this session is one from the town of Grand Mere. This municipality has ambitions, among them being one to be run by a general manager, who will be given a four-year term, and in the event of dismissal by council will have an appeal to the people from the council's decision. The manager is to be given power to discharge and appoint all employees, except the secretary. A four-year term for mayor and aldermen, elections the first judicial day of July, and the withdrawal of the right of vote from tenant electors who have not paid their taxes are other matters the Legislature is called to pronounce upon.

A RADICAL STEP

Calgary Proposes to Take Half The Unearned Increment

Calgary city council has finally adopted a definite policy in regard to unearned increment on the sale of land in what is known as the suburban area of the city. At a meeting of the council on January 20, the clause of the tax commission's report covering this point was adopted and it will now go forward as a recommendation to the Public Utilities Commission of the province. The clause reads:

"The revised assessment for the year 1919 to be taken as the basis and starting point from which to calculate unearned increment. Half of the difference between the average assessment from 1919 to date of sale and the price at which the lands are sold to be retained by the city as unearned increment, it being provided when calculating such unearned increment, the owner is to be given credit for all special local improvement taxes he has paid during the term of his ownership and for all improvements which have been placed or made on the property."

Ald. Freeze asked whether or not 50 per cent. of unearned increment was not rather high and suggested 25 per cent. instead.

The 50 per cent. increase is to be taken every time the land is sold, until it is brought into the urban area, city Solicitor Ford explained in answer to a question on that point.

George Green has joined the sales force of Foster, Barrett, Riepert & Low, Montreal. Mr. Green is a son of E. C. Green, Montreal, manager of the Standard Bank of Canada.

NEW MUNICIPAL ACT FOR B.C. HAS BEEN REDRAFTED

A Local Government Board and Boards of Control Planned

CONTROL OF FUNDS

Local Government Board to be Trustee For All Sinking Funds and Will See They Are Maintained

VICTORIA.—The proposed municipal act which has been drafted for presentation to the Legislature at its approaching session contains some radical features. Power hitherto exercised by municipal councils will be divided between two bodies—the Local Government Board and Board of Control. The former will enjoy powers possessed by similar bodies elsewhere. It will be responsible solely to the Government and among other functions will be the trustee of sinking funds of the individual municipalities. The latter will be elected by the ratepayers and will consist of the mayor and two controllers.

The general principle of the plan outlined to the Union of British Columbia municipalities by Mr. McDiarmid has been followed in the draft act. Throughout there has been an attempt to curtail the bulk of the act of 1914, under which municipalities operate, as expanded by the amendments of the past four years.

Court of Revision

The general powers to be given to the Councils are not unlike those of Section 54 of the present act. The financial clauses, however, provide for many changes. One section in that part will abolish the present system of revising the work of the Assessor in a court composed of the members of the Council, substituting for it a new body to operate for five years, which must be composed of three resident ratepayers not associated in any way with the personnel of any local administration. Power is given to a county judge to remove the members of such a Court of Revision for cause.

The public has been warned to expect drastic changes in respect to the law governing tax sales and redemption of property. Power is proposed under one section for the corporation to bring an action to recover taxes from delinquents as an ordinary civil debt.

The powers with regard to public health, trades licenses and similar questions, are very largely retained as at present.

The clauses setting up the Local Local Government Board provide for the Inspector of Municipalities becoming automatically the secretary of that board.

To be delinquent in taxes will, it is proposed, disqualify candidates for the office of mayor, controllers and aldermen. The term of office would be two years, as long urged on the Government by delegations.

As has already been forecast, the police clauses provide for the appointment in future of a Crown Counsel as prosecutor, by the Government, instead of the municipal authorities. Such counsel would hold office during the pleasure of the Executive Council.

The Schedule

Under the proposed Statute municipalities are divided into three classes, scheduled as follows:

The cities of Alberni, Armstrong, Chilliwack, Courtenay, Cranbrook, Cumberland, Duncan, Enderby, Fernie, Grand Forks, Greenwood, Kamloops, Kaslo, Kelowna, Ladysmith, Merritt, Nanaimo, Nelson, New Westminster, North Vancouver, Phoenix, Port Alberni, Port Coquitlam, Port Moody, Prince George, Prince Rupert, Revelstoke, Rossland, Salmon Arm, Sandon, Slocan, Trail, Vernon and Victoria. The district of Burnaby, township of Esquimalt, districts of Fraser Mills, North Vancouver and Oak Bay. Corporation of Point Grey, districts of South Vancouver and West Vancouver.

The second class municipalities are proposed as follows:

Townships of Chilliwack and Cold Stream, districts of Coquitlam, Delta and Kent, townships of Langley, Maple Ridge, districts of Matsqui, Mission, North Comichan, Peachland, Penticton, Pitt Meadows, township of Richmond, districts of Saanich and Salmon Arm, township of Spallumcheen, districts of Sumas, Summerland and Surrey.

The third class of municipalities are those hereafter to be incorporated for the purpose of irrigation, drainage, dyking or ditching.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Feb. 10, Pembroke. — $50,000, 6 per cent., 30-instalment debentures of the town of Pembroke, Ont.—W. J. Moore, Acting Clerk. ((See advertisement, p. 16.)

Feb. 1, Alvinston. — $2,807.29, 6 per cent., 10-instalment debentures of the village of Alvinston. — Sanford Lucas, Reeve.

Feb. 1, Rochester Township.—$4,000, 6 per cent., 15-instalment debentures of the Township of Rochester.

Feb. 10, Perth.—$6,956.81, 6 per cent., 20-instalment debentures of the town of Perth.

Feb. 7, Hawkesbury, Ont.—$109,000, in 6 per cent., 30 instalment bonds of the town of Hawkesbury. (See advertisement, page 16.)

BY-LAWS PASSED OR DEFEATED

Harwich Township.—$59,000 to aid in the construction of drains, passed by the council, January 13.

North Vancouver. — $85,000 for purchase of certain waterfront property, defeated by ratepayers, January 16.

Markham.—$5,000 to pay for cost of bringing hydro service from Agincourt to Markham, passed by council, January 27.

DEBENTURE NOTES

Ottawa.—When City Solicitor Proctor goes to Toronto with the city's bill he will ask the Ontario Legislature for authority to issue debentures to the amount of $348,000 for various purposes.

Napanee.—At the inaugural meeting of the town council, Mayor Robinson directed attention to a debt of $13,600 in the form of town notes remaining on the books and thought that steps should be taken to issue debentures.

Saskatoon.—The amount of the Saskatoon city bank loan on current account at the present time is $353,000, and the amount of cash in the sinking fund and debenture accounts is $135,000 and $26,340 respectively. It is becoming increasingly difficult to obtain long-dated securities bearing a high rate of interest, and it was considered advisable to invest the above amount of $135,000 at the earliest possible date. After a brief discussion it was decided at the meeting of city council to invest $120,000 in Province of Alberta bonds, which are just being placed on the market and were considered a first-class investment.

Hamilton.—The city council voted on Tuesday to seek legislation empowering it to raise $300,000 through a debenture issue for hospital expenditures.

Hamilton.—Ostensibly to prevent the tax rate from being further increased this year, the Board of Control has departed from the pay-as-you-go policy and recommended that open accounts carried on the city treasurer's books amounting to $343,473.90 be provided for by a debenture issue instead of being met out of current revenue. Other open accounts amounting to $38,000, made up of patriotic grants given last, year, were left in abeyance for the present.

OPPOSE ANNEXATION

Montreal Aldermen Not Anxious to Take in Montreal North

A movement on the part of some residents of Montreal North to annex it to Montreal in order to relieve it of some heavy liabilities, including its debenture debt, has aroused strong opposition among the Montreal aldermen. Figures from the last report show a population of 800, with a debt of $1,350,000; an assessed property value of $3,700,000, which some aldermen now claim is inflated; two school houses were built at an aggregate cost of $150,000; $219,000 spent on sewers, which will require more to make them workable; $233,000 on a purifying plant, and $109,000 on a playground; the town hotel which was to cost $27,000, in reality cost $66,000. In the fall of 1917 $300,000 of debentures were sold.

BOND SALES

$600 Asbestos at 75½ to 75; $2,000 Can. Bread at 95 to 94½; $10,000 Can. Locomotive at 91½ to 91¾; $7,300 Cedar Rapids at 88 to 87⅛; $7,000 Dom. Cotton at 98; $9,000 Dom. Iron at 88½ to 87½; $1,000 Dom. Textile "C" at 97¼; $2,000 Lake of Woods at 99½; $1,700 Mon. Trams. debs. at 74; $49,100 Wayagamack at 86½ to 84½; $14,600 War Loan (1925) at 96¾ to 96; $26,400 War Loan (1931) at 96⅞ to 96; $148,500 War Loan (1937) at 98 to 97; $332,700 Victory Loan (1922) at 100¼ to 99½; $375,300 Victory Loan (1923) at 100¾ to 99¾; $129,200 Victory Loan (1927) at 101⅛ to 100¼; $1,872,000 Victory Loan (1933) at 101⅜ to 101¼; $230,500 Victory Loan (1937) at 103⅜ to 102¼; $166,600 Montreal (1928) at 101 to 100¼.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose	Purchaser.	Rate	Term	Amount	Price	Basis
Jan. 28	Victoria, B.C.	Dominion Securities Corporation	5½%	var.	$300,000	.....	5.90%
Jan. 28	Sudbury, Ont.	Morgan-Dean, Harris & Co.	5%	var.	112,562	.....	.....
Jan. 27	Three Rivers, P.Q.	Provincial Securities Co., Quebec	6%	10-yr.	40,000	99.26	.....
Jan. 28	Saskatoon, Sask.	Æmilius Jarvis & Co.	5%	30-yr	91,000	86.82	.....
Jan. 28	Hanover, Ont.	Æmilius Jarvis & Co.	6%	15-ins.	18,000	101.25	.....

Discerning investors are buying
LONG TERM BONDS
We can offer the following
ATTRACTIVE INVESTMENTS

Victory Loan	5½%	1933
" "	5½%	1937
Province of Saskatchewan	5¾%	1934
" Alberta (Guaranteed)	4½%	1944
" Quebec	4½%	1946
City of Victoria, B.C.	5½%	1946
" Victoria, B.C.	5½%	1947
" Victoria, B.C.	5½%	1948

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Res. Fd. £2,025,000 Together £4,025,000
Res. Liab. of Proprietors £4,000,000
Total Capital and Reserve £8,025,000
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The Bank Has 181 Branches, viz:

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In New South Wales	39
In Queensland	19
In South Australia	14
In Western Australia	21
In Tasmania	3
And in NEW ZEALAND	44

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INVESTORS' INSURANCE NOTES

CONFEDERATION LIFE EXPANDS ITS RESOURCES

Writes Largest Volume of Business in Its History

EARNINGS EXPAND

Some Interesting Figures Are Given With Regard to Mortality, Which Was Very Heavy

Results achieved by the Confederation Life Association in 1918 were distinctly favorable, and, with the one exception of unusually heavy mortality, were in all other respects of a most satisfying character. Record business was written; the insurance in force has grown substantially; assets have been enlarged; the interest rate earned has risen appreciably, and the association has been able to meet all its obligations without having to draw at all seriously on its reserves.

There were received during the year 8,634 applications for insurance of a gross amount of $19,538,182. This was almost exactly 1,000 more applications than were received in 1917, while the amount involved was greater by $3,616,126. The insurance actually issued was, of course, somewhat smaller, since 220 applications were deferred for further information, while 520 applications were declined. The business issued totalled $17,668,072, an increase of well over $3,000,000 for the year. Including revived policies and bonus additions, the total new insurance for 1918 was $18,062,374, comparing with $15,037,517 in 1917.

Gaining Ground

During 1918 the association reached and passed the $90,000,000 mark of assurances in force, and at December 31 showed $91,986,165 on its books, an increase for the year of $9,712,464. This works out at 53.7 per cent. of the business issued and revived, which is a distinct improvement on the experience of 1916 and 1917 (28 per cent. and 45 per cent. respectively) and shows that the business of the association is being much better conserved.

Total assets for the year showed a gain of $1,000,000 at $23,418,782, and it is interesting to note that the average rate of interest earned on invested assets, on the Government basis of calculation, was 5.78 per cent., comparing with 5.34 per cent. in 1917. This increase may be accounted for in part by the investments in war bonds yielding 5.50 per cent. and by the re-instatement of certain mortgage loans, on which payments had been in arrears.

The distribution of investments is interesting. Mortgage loans at $5,575,176 show a reduction of nearly $500,000. The repayments of the year were $790,385, while new loans fell short of this amount by $474,417. The rate of interest earned on mortgage security was 7.37 per cent., which is almost identical with the 1917 rate. The association holds its real estate at $2,118,888, a slight increase for the year. Holdings of debentures exceed $10,000,000, and show an expansion of approximately $1,500,000. Stocks are valued at $1,152,725, or slightly more than in 1917, while policy loans at $3,190,271 are actually less than at the end of the previous year.

Mortality Experience

The directors' report pays particular attention to death claims, a subject of prime importance to the life companies during 1918. The experience of the Confederation Life up to the end of September was reassuring, the claims being decidedly less than for the corresponding period of 1917. The last three months of the year, however, disturbed the favorable balance. Of 193 war claims for the year, 123 were incurred between October 1 and the end of the war. As it was, total losses from this source, $259,218, were $58,184 less than in 1917.

Almost equal in volume to the war claims were those incurred from the influenza epidemic. These were only $4,358 less than the war claims, and, when it is recalled that these belonged to only a fraction of the year, the severity of the epidemic may be realized. Total claims for 1918 were $1,205,522, as compared with $1,090,078 in 1917. Net claims were $1,180,022, as compared with $1,077,348. The mortality ran slightly under 100 per cent. of the expected.

Revenues Expand

The association's income during 1918 showed a healthy expansion. From premiums there was derived $3,495,670; from interest and rents, $1,230,419, and from the sale of securities (profit), $7,724. These figures compare respectively with $3,152,287, $1,090,477 and $2,695 in 1917.

Payments to policyholders aggregated $2,528,126, a slight increase over the previous year. Endowments called for $610,540, as compared with $474,555; matured investment policies, $288,927, as against $306,255; surrenders, $175,636, as against $322,928, while profits took $355,426, compared with $313,509. Expenses were up from $876,888 to $1,014,997, and taxes from $66,373 to $80,592. The excess of receipts over disbursements was, accordingly, $1,089,098, which compares with $776,319 in 1917.

Surplus Slightly Less

The feature of the balance sheet is a slight contraction of the surplus from $2,274,727 at the end of 1917 to $1,969,045 at the end of 1918. This decline, however, must not be regarded too seriously. In fact, the character of the so-called surplus of life companies is changing and such a diminution as this does not possess the same significance as it used to do. As a matter of fact, were all reserves included, a gain in surplus might have been shown. The association holds $570,115 in reserve for death claims pending and $183,590 as profits allotted to deferred dividend policies issued since 1911. The re-insurance reserve amounts to $20,409,652.

EQUITY LIFE HAD SATISFACTORY YEAR

Now Has a Total of Over Three Millions of Business in Force

The annual meeting of the Equity Life Assurance Co. was held in Toronto last week, when a satisfactory report was presented on the year's business. Figures are not furnished as to the amount of new business closed, but the statement is made that at the end of the year 2,257 policies for $3,024,896 were in force, a gain of 174 policies, and $209,521 of insurance for the year. The claim is made that, with 61.97 per cent. of all the insurance ever placed by the company in force, a better record has been made than by any other Canadian company at the same stage of its career.

Total income expanded from $105,001 to $116,537 between 1917 and 1918, $87,621 being derived from premiums, and $288,916 from investments. Death claims amounted to $35,000, as compared with $26,500 in 1917. Of these, $11,000 were war losses and $17,500 "flu" losses. Notwithstanding heavier mortality, the excess of income over expenditure, $56,423, was over $8,000 greater than in 1917.

Assets have expanded from $519,383 to $589,367. Of these $172,545 represent municipal and Government debentures; $294,953 first mortgages on real estate, and $84,126 policy loans. Liabilities stand at $553,287, of which the reserve on policies amounts to $536,192. This leaves a surplus of $36,079, which compares with $37,126 at the end of 1917, being a very satisfactory showing under all the circumstances.

MUTUAL BUSINESS GROWS

How Various Mutual Fire Companies in Quebec Expand

Business of the parish mutual fire insurance companies of the Province of Quebec during 1917, as disclosed in the annual report of the Insurance Branch of the Treasury Department, showed a healthy increase. These small companies, very few of which write over $1,000,000 of insurance, had in force at the end of the year, $34,913,016, this figure comparing with $31,259,829 at the end of 1916. The total income of these companies was $58,998, as compared with $54,829, while expenditure amounted to $58,158, as against $53,566. The total assets were $1,489,508, of which $1,467,261 represented unassessed balance deposit notes. The previous year total assets amounted to $1,405,721.

The seventeen municipality mutuals reported insurance in force of $2,358,131, as against $2,034,211 and an income of $3,039, compared with $1,741.

The four ecclesiastical mutual fire companies increased their insurance in force from $23,816,483 to $25,852,244; their income from $101,463 to $230,675 and their expenditure from $98,333 to $231,137.

The Cambria steel plant of the Midvale & Ordnance Co. is laying off a large number of employees like other steel companies, according to a Johnstown, Pa., dispatch, but the allegation is made some discharged men are being blacklisted for having displayed activity in organizations other than those approved by the corporation.

NORTH AMERICAN LIFE COMPLETES A TRYING YEAR

Comes Out With a Record of Strength and Progress

MET HEAVY CLAIMS

New Business Written Was the Largest in Its History, While Income and Assets Have Expanded

An analysis of the financial statement of the North American Life Assurance Company, as presented at the annual meeting of the company on Thursday, affords convincing proof both of the services rendered to policyholders and beneficiaries during an exceedingly trying year and of the solid position maintained by the company in face of heavy death claims. There has been paid during the year $647,598 in claims, $344,016 in matured endowments, $348,885 in matured investment policies and $285,339 in dividends, all of which payments were considerably in excess of similar payments in 1917. Notwithstanding these large disbursements and the cost of placing on the books the largest volume of new business in the history of the company, the net surplus has only been affected to the extent of $23,000 and stands at the large figure of $2,751,990.

Record New Business

The policies issued and revived during the year amounted to $13,552,161, comparing with $12,535,832 in 1917 and $10,189,539 in 1916. Business in force at December 31 was $70,950,316, a net increase of $5,736,693. This increase represents 42.3 per cent. of the new business and compares with approximately 44 per cent. in 1917. In his annual address President Goldman refers to the rather large termination of policies, amounting to $2,542,432, and points out that this arose principally from investment and surrendered policies and matured endowments, the owners of which took the cash value for investment in Victory bonds.

Premium income for 1918 amounted to $2,437,466, as against $2,194,634 in 1917, while the income on investments was up from $937,837 to $1,005,446. Payments in both respects were well met during the year.

On the side of disbursements, expenses at $318,645 show an increase of about $30,000 and commissions, etc., are up from $404,366 to $443,158. The ratio of expense, however, is not any higher, indicating that the business has been conducted economically. With respect to death losses, these ran to about 115 per cent. of the expected mortality, amounting to $874,037, about $300,000 more than in 1917. Of these losses 26.9 per cent. or $234,800 were due to the influenza and 20.3 per cent., or $177,178, to the war. In his address Mr. Goldman submitted some interesting statistics of the company's experience in "flu" claims:

Policies No. of	Aggregate Amount	Average Age	Premiums Paid
37	$72,500	28	1
36	44,985	29	2
12	17,000	29	3
3	3,979	24	4
4	6,500	32	5
9	13,000	29	6
6	7,996	27	7
4	4,000	25	8
6	5,997	27	9
2	2,000	37	10
28	48,400	25	11+

Assets Expand

The net increase in assets for the year was $898,509. Mortgages show a small reduction at $4,394,608 but bonds, debentures and stocks at $10,473,714 are substantially larger. Policy loans, it is interesting to observe, are slightly less at $2,340,058. As a matter of fact, mortgage loans, which in 1914 represented 31.58 per cent. of the assets, are now down to 23.98 per cent.; bonds and debentures are up from 33.59 per cent. in 1914 to 46.91 per cent. in 1918; stocks are down from 13.08 per cent. to 10.23 per cent. and policy loans from 15.26 per cent. to 12.77 per cent. The rate of interest earned on total assets was 6 per cent. in 1917 and 6.06 per cent. in 1918. The average rate on mortgage was 7.27 per cent; on bonds and debentures, 5.38 per cent.; on stocks, 5.90 per cent. and on policy loans, 6.08 per cent.

The assurance and annuity reserve funds have been increased during the year from $14,007,474 to $14,679,792; the sum of $374,542 has been set aside for claims awaiting proof; $25,000 has been provided to meet unreported claims; and after covering all possible liabilities, the net surplus stands at $2,751,990.

AN EXCELLENT REVIEW

Insurance Man Writes Booklet on Fire Insurance Business

The comprehensive review of fire insurance in Canada during 1918, written for the New York *Journal of Commerce* by Cecil S. Wainwright, assistant secretary, Western Assurance Company, and secretary of the executive committee, British America Assurance Co., Toronto, has been issued in handy booklet form by Mr. Wainwright. Anyone desiring to be posted quickly and thoroughly on the fire insurance business of the year could scarcely find anything better than this small treatise. The article is divided into sections, each dealing with some important phase of the business.

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter 1727

Paid-up Capital .... £ 2,000,000
Rest and Undivided Profits.. 1,030,470
Deposits 29,202,380

Head Office:
St. Andrew Square, Edinburgh.
Cashier and Gen. Mgr., A. K. Wright.
Secretary, J. B. Adshead.

London Office—3, Bishopsgate, E. C. 2.
Wm. Wallace, Manager.

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Banking business of every description transacted. Deposits received at interest repayable at call or at notice. Drafts, Circular Notes, Letters of Credit and Cable Transfers issued — available throughout the world. Foreign Exchange. Accounts opened and Agency business undertaken for Foreign and Colonial Banks and other financial establishments. Correspondence invited.

For the well groomed man

TEXEND BRACES

Finer than the imported

The Dominion Suspender Co.
Limited
NIAGARA FALLS, ONT.

ASSESSMENT SYSTEM

CANADIAN ORDER OF CHOSEN FRIENDS

HEAD OFFICE. HAMILTON, CANADA.

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

Dr. J. W. Edwards, M.P., Grand Councillor.
W. F. Montague, Grand Recorder.
. F. Campbell, Grand anizer.
W. H. Woods, M.D., Grand Medical Ex
HAMILTON - ONTARIO

British America Assurance Co.

Fire, Marine, Hail and Automobile Insurance.

HEAD OFFICE - - LONDON

BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

Assets, over - - $3,500,000.00
Losses paid since organization, over - $43,000,000.00

Western Assurance Company

Fire, Marine, Explosion and Automobile Insurance.

Incorporated 1851

HEAD OFFICE, TORONTO, ONT.

Assets over - - $6,000,000.00
Losses paid since organization over - - $70,000,000.00

BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

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REAL ESTATE AND MORTGAGES

MANITOBA FARM LOANS EXCEED TWO MILLIONS

Progress of the Movement Explained By the Commission

WILL SELL BONDS

Farm Loans Association Has Postponed Its Bond-Selling Programme Until the Field is Clear

Information on the working of the Manitoba Farm Loans Act has recently been appearing in the Winnipeg press, being supplied by Lachlan McNeill, commissioner of the Farm Loans Association. Mr. McNeill states that up to November 30 last, 762 loans had been made, aggregating $2,000,950.

"The act provides," says Mr. McNeill, "that the association cannot pay more than five per cent. on its bonds, stocks, or other securities, and also provides that the rate of interest to be charged by the association on its loans shall be such as will be sufficient to pay the interest on the securities issued under the act, in addition to one per cent. per annum, to provide for the expense of conducting the business.

"You will see by this that the association pays not more than five per cent. for the money it loans to the farmers. This money is loaned at six per cent. per annum, the extra one per cent. going to the association to be applied on administration expense.

Showed a Profit

"Quite a lot of criticism appeared in different papers at the time the act came into force to the effect that it was not possible to operate on a margin of one per cent., but the auditor's report, when complete, will show that as at Nov. 30, 1918, the end of the first fiscal year, the association was able not only to keep the operation expenses within the margin allowed by the additional one per cent., but was able to show a profit on the first 21 months of its operation.

"It is true that the government gave the association a grant of $10,000 for organization purposes, about $2,700 of which is still unspent, but the board have in mind at some not distant date to return this grant to the province out of the profits, as there is no doubt in my mind that this can be done out of the one per cent. when the volume of business increases.

762 Loans to Nov. 30

"My appointment dated April 1, 1917, but the association had paid out only four loans by July 1, in 1917, as the work of organization, securing of suitable offices, and all printing, etc., necessary to the working of the association had to be arranged for, so that up to Nov. 30, 1918, the association had been actually loaning only about 18 months. In that period the association has paid out 762 loans, totalling $2,000,950, which I consider is a very good showing indeed. In addition to this the board has approved up to Nov. 30 of applications to the amount of about $360,000, which are now in the hands of the legal department for completion.

A Co-operative Organization

"The Manitoba act is co-operative in this way, that each borrower is required to subscribe for stock in the association to the extent of five per cent. of the amount of money which he borrows.

"No other person except borrower on farm land mortgages under the provisions of this act, their heirs, executors, administrators and assigns, and His Majesty in the right of the province, can become shareholders in the association.

"When a loan is disbursed this five per cent. is retained by the association and a stock certificate issued to the borrower for the number of shares he is entitled to. The certificate is held in the office of the association as collateral security until the loan is paid off, when the borrower will be paid at par for his stock.

Dividends Possible

"The board hopes to pay a dividend on this stock when the volume of business increases, but in the meantime, if the borrower does not receive any dividend he is not paying much more than 6¼ per cent. on his mortgage, which is a very reasonable rate under existing conditions. I have every confidence that the association will be able to pay a reasonable dividend within a very short time.

"The association issues bonds for one, two, three, four, five or ten years, on which it agrees to pay five per cent. half yearly. These bonds are guaranteed by the province of Manitoba, both as to principal and interest. The sale of these bonds locally and throughout the province of Manitoba has been very gratifying indeed, and in addition there have been inquiries and sales in western Ontario, Saskatchewan and Alberta.

Bond Selling to Begin

"Up to the present the association has not put forth any organized effort to sell these bonds for the reason that the board felt that it should not do so while the Dominion Government was borrowing money by the sale of Victory bonds. Now that this great and pressing need is definitely over there is no reason why the association should not go forward with the hope that it will secure considerable amounts of money to aid and assist in these financial transactions for the development of this province under this plan.

"In addition to the sale of bonds the association receives deposits on which it pays four per cent. interest, payable half yearly, and for which it issues deposit certificates. These certificates are payable on demand with interest to date."

Some of the special features of the act are outlined in a further statement, which points out that it is the policy of the Farm Loans Association to obtain a portion of its funds in the province itself; to standardize rates; to make borrowers into shareholders, and thus give them a stake in the business; to provide for the repayment of loans under the amortization principle, and to assist eventually in the development of districts, which have not hitherto been viewed favorably by the loan companies.

INGERSOLL LANDS INDUSTRIES

Secures Two Companies Formerly Located Elsewhere

Ingersoll, Ont., has landed two new industries. The T. E. Bissell Co., manufacturers of implements and garden tools, who were formerly located at Elora, where they were recently burnt out, will establish a new plant at Ingersoll to cost $100,000. The Port Hope File Manufacturing Co. are removing from Port Hope to Ingersoll, where they will establish themselves under the name of the Ingersoll File Co. The municipality recently passed by-laws to assist these companies to get going.

The Holeproof Hosiery Co., of London, Ont., is working on plans for a new factory to cost $300,000, and expects to start on construction about April 15.

CONDITIONS IN MOOSE JAW REALTY FIELD

Indications Are That There is a Likelihood of An Upward Trend in Values

A survey of real estate conditions in and around Moose Jaw has been made for THE FINANCIAL POST by Richard Loney & Co. of that city. Referring to the renting situation they declare that there is very little space available to rent at the present time. This is particularly true in the matter of modern houses, for which there is an extremely brisk demand, with a very limited supply available.

"Business properties are not much required," they add, "but even so there is practically nothing vacant. The demand is much higher for modern houses for rent than at any time in the last several years. We are of the opinion that this situation will undoubtedly continue, as the soldiers who have been overseas (some with families) return to the city and start looking for somewhere to live.

"Real estate has been quiet during the war, but little vacant property changing hands, although several sales have been made in the business district and quite a number of houses have recently been sold. As market value is usually considered to be governed largely by actual sales, the fact of but few sales being made has had a tendency to keep the prices pretty well down. Conditions would indicate at present, however, that there is a likelihood of a decided upward trend in values before long.

"While there has been quite a lot of building done last year, of course, it was considerably below pre-war figures. There seems to be quite a lot of construction in sight for the coming year, but most of this is along the lines of last year's work, that is, business warehouses, etc.

"Housing is a decided problem here Tenants find great difficulty in securing houses. There is quite a lot of talk of building operations being resumed in the spring, but the high prices, which still prevail, have a tendency to cause a good many prospective builders to hesitate. The Saskatchewan Government had a recent conference with a committee composed of representatives of the leading cities and towns in the province. We believe no definite action was taken at this meeting except that the conference expressed themselves as favorably disposed toward the project. We believe, however, in any case some solution will be found which will relieve the present difficulty.

Activity in Farms

"There has been quite a lot of trading in farms in this district lately, improved land running from $45.00 to $100.00 per acre, with raw prairie considerably lower. There is not very much of the better land being offered at the present time.

"There seems to be quite a lot of money for farm loans at about 8 per cent. Some of the companies are also beginning to loosen up a little on improved city property at the same rate, but quite a bit more could be used if it were available."

MONTREAL BUILDERS HOLD THEIR ANNUAL

Are Now in Affiliation With the New Dominion Association

The Montreal Builders' Exchange at its annual meeting this week affiliated with the Dominion body and henceforth will be known as the "Montreal Association of the Canadian Building and Construction Industries." It will have a wider scope than before, as it will include three sections of the industry, general contractors or contracting engineers; separate or subtrade contractors, and supply houses, manufacturers and producers of building materials.

In retiring from the office of president, J. P. Anglin referred to a prediction he had made one year ago, that things would remain pretty much the same. This had been justified, as statistics from 41 chief cities of Canada showed that there had been $38,000,000 worth of building recorded, compared with $34,000,000 in 1917. He did not hesitate now to say that the present year would see an increase of at least fifty per cent. over 1918 figures. So far as private building enterprise was concerned, this was confined chiefly to extending existing industrial plants. In big centres there was a demand for apartment houses, and better class houses than those contemplated under the Government's housing scheme. Including the $25,000,000 that it was planned to spend on housing out of national funds, and the resumption of public works, he estimated that about $85,000,000 would be involved.

The following officers were chosen: President, W. M. Irving; vice-presidents, John Quinlan, Fred B. Locker, J. K. McNutt; hon.-treasurer, J. E. Walsh; hon.-secretary, R. F. Dykes; representative directors, Donald Church, E. H. Evans, H. Fussing, John Watson, I. Crepeau, James Griffin, Alex. Bremner, John Grieve, A. F. Daly and J. P. O'Shea.

HUMOR OF INSURANCE

Speaker at Vancouver Points Out Humor of Business

That there exists a distinctly humorous side to the business of life insurance was brought out by Richard Douglas of Douglas, MacKay & Co., at the January meeting of the Insurance Institute of Vancouver.

"The most humorous feature of insurance," declared Mr. Douglas, "is the profession itself. We encourage a man to build a house and fill it with household goods, so that it is indeed a 'home sweet home,' and then go to a company and bet 60 cents against their hundred dollars that it will not burn down."

He added that the next greatest joke was the insurance agent himself. When a man failed as lawyer, merchant or doctor, he would become an insurance agent, and would generally begin by getting the business of uncles, aunts, cousins and friends, though generally when he said, "I am an insurance agent," he got a glance which seemed to say, "Alas, poor fellow! Has it come to this?"

They were in a haphazard business, following haphazard methods, and taking great risks. Sometimes a rat came along and nibbled a box of matches and the lordly wholesale warehouse burned down, just as a cow kicked over a lantern and left Chicago in ashes.

Briefly sketching the progress of illumination, Mr. Douglas said that in the days of the old tallow candle the rates were low, but to the horror of the insurance man the coal oil lamp came in and the companies did what they could to stay the march of progress by raising the rates. Then came gas and the rates went up again, and finally came electricity, which was like a giant laid low, and had been hitched like a slave to a car.

"Blessed are ye," said the speaker, "if in following the business of insurance you have the saving grace of humor. When you write a policy on rabbit skins stored in a warehouse, does not your imagination turn to the source of those skins—the pest of Australia—gathered there to be turned into silk hats and fine attire? And will you not think of some swell in London or New York wearing on his head the rabbit skin you have insured?"

An insurance policy was not a dried parchment or mere paper, but properly regarded was a store of humor. In the great conflagration in San Francisco a few years ago, the householders allowed many things to go, but held on to their policies.

Mr. Douglas concluded that while there was no greater bore than the man who was always jocular, the man who always carried a cheerful face to his daily toil was an asset to any office. He had known such a man, and under his influence the office boy would lick the stamps and find them good.

North American Life Solid Continent

NORTH AMERICAN LIFE
ASSURANCE CO.

HEAD OFFICE - - - - - TORONTO, CANADA

THE business for 1918 was the largest in the Company's history. To-day the financial position of the Company is stronger than ever.

EVIDENCE of this is found in the following outstanding figures which are substantially in excess of those for any previous year.

Policies Issued and Revived	$13,552,161.00
Total Assurance in Force	70,950,316.00
Cash Income	3,467,440.76
Assets	18,185,610.75
Net Surplus	2,751,990.60
Profits Paid Policyholders	285,339.48
Total Payments to Policyholders	1,780,385.04

THE amount of death losses incurred was over $300,000 in excess of the previous year, due to the influenza epidemic and war claims.

THE sum of $2,043,035.26 has been paid to Policyholders as dividends or surplus during the past ten years.

Ask for a copy of the Annual Report

W. KERR GEORGE,
D. McCRAE, Lt.-Col.,
Vice-Presidents.

"Solid as the Continent"

L. GOLDMAN,
President.

The Opportunities

in life insurance agency work are unequalled at the present time. Every company in Canada is having an unprecedented rush of new business.

THE DOMINION LIFE
ASSURANCE COMPANY

has some splendid openings for good salesmen. Its profits make it easy to sell its policies. *Write to*

Head Office: Waterloo, Ontario

Imperial Munitions Board Offer For Sale

PLANT AND EQUIPMENT (IN PART) OF

British Cordite Co., Ltd., Nobel, Ont.

TENDERS, accompanied by marked cheque for 5% of the amount of the bid, will be received by the undersigned up to and including February 20th, 1919, for the purchase of the following, located at Nobel, Ontario:—

ITEM NO. 1. POWER HOUSE.—Building of steel frame construction on concrete foundations.

Boiler-room Equipment.—10-400 H.P. Wickes, vertical, water tube boilers, equipped with Murphy Automatic Stokers and 2-1 ton coal-weighing lorries.

Ash Handling System—American Steam Jet Ash Conveyor.

Power-House Equipment.—3 Turbo Generators, 3 phase, 2200 volt, 60 cycle; 1-750 K.W. Allis Chalmers; 1-500 K.W. General Electric; 1-1000 K.W. Westinghouse-Parsons, complete with Westinghouse LeBlanc Jet Condenser and 80 H.P. Sturtevant Turbine direct connected to Booster Pump; 1-25 K.W. Westinghouse-Turbo Exciter Set, 125 volt; 1-25 K.W. Canadian Fairbanks-Morse Motor Exciter Set, 550-volt motor, 125-volt generator; 1-30 K.V.A. constant current transformer.

Switchboard—11 panels fully equipped, 1-10 K.V.A., 2200-110 volts and 3-40 K.V.A., 2200-550 volts, Pittsburgh Transformers; 2-18 x 10 x 12 Worthington Fire Pumps; 2-14 x 22 x 14 x 16 Ingersoll-Rand Air Compressors; 2-No. 785 Cochrane feed water heaters; 4 Alberger heaters; 2 Frick Ammonia Compressors, 30 and 70-ton capacity; 2 4" Goulds Centrifugal Pumps, direct connected to 15 H.P. motors; 4 1¼ x 8 and 2 5½ x 8 Deane Single Acting Triplex Pumps, belt driven; 1 42 x 10½ x 48 Hydraulic Pnuematic Accumulator.

ITEM NO. 2. PUMPING STATION.—Equipment.—6-9 x 12 Aldrich Triplex Pumps, directly connected to 40 H.P. Canadian Fairbanks-Morse, 550 volt, 40 amp., 60 cycle, 3-phase motor, with starting compensators and switch boxes; capacity 500 gallons per minute; 3-75 K.V.A., 2200-550 volts and 1-550-100 volts Pittsburgh Transformers.

ITEM NO. 3. MACHINE TOOLS.—18" Engine Lathe; 20" Drill Press; No. 4 Power Saw; Keyway Cutter; 16" Stroke Shaper; 10" Emery Wheel Stand; No. 34 Little Giant Screwing Machine with taps and dies.

ITEM NO. 4. TANKS.—Steel Horizontal—33—6' to 20' diameter. Steel Vertical—41—3' to 8' diameter.

ITEM NO. 5. STOVES.—7 Nos. 41 and 42 Quebec Heaters, 5 Oxford Ranges and 16 Oil Stoves.

ITEM NO. 6. STEEL CANS.—12,900 Steel Cans, with lugs and lids, 11½" x 12" x 3-32".

ITEM NO. 7. COTTAGES. — 15 Cottages, frame construction, 20' x 34'.

ITEM NO. 8. PRESSES.—8 Dehydrating Presses (Hydraulic).

ITEM NO. 9. PUMPS.—8 Gardner Duplex Pumps, 7" x 3½" x 10".

ITEM NO. 10. WRINGERS.—20 Centrifugal Wringers 24".

ITEM NO. 11. STOCK DRYERS.—3 Sargent (Stock Dryers).

ITEM NO. 12. PICKER MACHINES.—3 Davis and Furber Picker Machines 36".

ITEM NO. 13. KNEADERS.—52 Kneader Machines.

ITEM NO. 14. PRESSES.—19 Darling Presses (Hydraulic). 22 Inglis Presses (Hydraulic).

ITEM NO. 15. PUMPS.—46 Hydraulic Triplex Worthington Pumps, 1 x 4 for 2,000 pounds pressure.

ITEM NO. 16. PUMPS.—10 Vertical Triplex Single Acting, belt driven Worthington Pumps, 3½" x 6" for 250 pounds Pressure.

ITEM NO. 17. PUMPS.—6 Aldrich Pumps, Vertical, Triplex, Back plunger of the solid water end type, double reduction, direct geared for 900 R.P.M. Motor, 9" x 12", Cap. 500 G.P.M., lift 150'.

ITEM NO. 18. BELTING.—A quantity of leather and rubber belting.

Tenders for these items in whole or in part will be considered. The owner will dismantle and load on cars; bids are to be made on this basis. Intending purchasers will be given every facility to inspect the buildings and equipment. Complete information may be obtained from the undersigned.

The highest or any tender not necessarily accepted.

Cheques from unsuccessful bidders will be promptly returned.

R. HOME SMITH
AGENT IMPERIAL MUNITIONS BOARD
18 KING STREET WEST, TORONTO, ONT.
Phone, Ad. 1590.

Another step in the litigation by the insolvent Dominion Permanent Loan Company against the deceased manager of the company, F. M. Holland, and others was reached at Osgoode Hall on Saturday, when the Master-in-Chambers refused a motion to secure certain particulars for purposes of the trial after the examination for discovery had closed.

The Submarine Boat Corporation is working on a new pattern Diesel marine engine of 1,800 horsepower to be placed in some of the 150 cargo vessels it is building for the Shipping Board.

DIVIDEND NOTICES

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. upon the paid up Capital Stock of this Institution has been declared for the current quarter payable on and after Saturday, the FIRST DAY OF MARCH next, to Shareholders, of record of 31st January, 1919.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 21st January 1919.

The Royal Bank of Canada

DIVIDEND No. 126

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Saturday, the first day of March next, to shareholders of record of 15th February.

By order of the Board.
C. E. NEILL,
General Manager.
Montreal, Que., January 14, 1919.

The Canadian Bank of Commerce

DIVIDEND No. 128

NOTICE is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st March, 1919, to shareholders of record at the close of business on the 13th day of February, 1919.

By order of the Board,
JOHN AIRD,
General Manager.
Toronto, 17th January, 1919.

DEBENTURES FOR SALE

TOWN OF PEMBROKE, ONT.

Tenders for Debentures.

SEALED Tenders will be received by the undersigned u pto 3.00 P.M. Feb. 10th, 1919, for the purchase of $50,000.00 of 6%, 30-year debentures, payable in equal annual instalments.

Further information may be obtained on application to

W. J. MOORE,
Acting Clerk.
Pembroke, Ont.

Call for Tenders

SEALED tenders are called for by the Town of Hawkesbury for the sale of $109,000.00, 6%, 30 years Municipal Debentures .

These debentures are issued under authority of By-Law Number 278, authorizing the construction of certain water main extensions, together with the installation of a Filtration Plant, to the amount of $77,000.00, yearly payment of $5,593.96, for 30 years, to meet principal and interest, having coupons attached thereto for the payment of interest semi-annually.

AND By-Law Number 279 authorizing the construction of certain sewer extensions to the amount of $32,000.00, yearly payment of $2,324.76, for 30 years, to meet principal and interest, having coupons attached for the payment of interest semi-annually.

The plans and specifications of the said water main extensions and filtration plant and sewer extensions have been submitted to, and have been approved of by the Provincial Board of Health, pursuant to section 95 of the said Public Health Act, which said approval has been certified under the hand and seal of the Chairman and Secretary of the said Board under date the 22nd day of November, 1918.

All tenders are to be sealed, and in the hands of the Municipal Clerk, Friday, February 7th, 1919, to be opened on the above date at 8 o'clock P.M., at open Council.

For further particulars see Town Clerk, Hawkesbury, Ont.

EUG. PAQUETTE,
Clerk and Treasurer.

SOUND BUSINESS

resists the socialistic trend of ill-balanced public opinion which applauds confiscatory legislation reckless of consequences. Sound business cultivates constructive ideas that are creating for Canada both the means and the power to increase prosperity now that the war is won. Study the records of sound business thinking for Canada in THE FINANCIAL POST OF CANADA each week. See in THE POST'S concise accounts of Canadian conditions from Coast to Coast the true state of affairs affecting Canadian business. It takes but half an hour to gain from THE FINANCIAL POST a sure grasp of the essentials of the week's events of importance, and that half hour you give to THE POST will save you hours of good business time, for the well-informed are swiftest to act. Prove THE POST'S time-saving powers for you. Send for a subscription.

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Address ....
F.P. 1-25-19.

BUSINESS FACES AN UNSETTLED TRADE PERIOD

Some Opinions on the Outlook For the Future

READJUSTING PRICES

Opinion Seems to be That Present Decline Will Not Go Much Further and That Prosperity May Soon Return

The candid statement of Sir Edmund Osler at the annual meeting of the shareholders of the Dominion Bank that Canada must face a serious setback during the period of readjustment from war to peace business, commercial and industrial conditions, although uttered with an admission of pessimism refers to a situation about which we have perhaps heard too much optimism in the views of industrial and financial leaders given for public consumption. At the same time there are so many new factors to be taken into consideration that uncertainty is the keynote of the whole situation. Starting with steel there has been a movement towards lower prices in the markets for many commodities and this has been accompanied by a partial withdrawal of buying interest on the part of trade. However, this should be a temporary situation at worst, as the different values should not be long in reaching a working basis. There is no indication of a collapse of values.

The chief factor for unsettlement is undoubtedly the labor market. Here the problem is psychological and the spread of Bolshevism and kindred doctrines of discontent may have far-reaching effects. Generally speaking, the FINANCIAL POST believes that employers are doing their best to maintain wages on a basis to equalize with the cost of living, but as there is a readjustment in commodity prices it must be expected that there will be a readjustment also in wages. Wages are too important a factor in the cost of production to remain on their present high level if the value of the article or commodity produced shrinks. Canada must depend largely upon export trade to provide the wealth with which to meet war obligations and if production cannot be brought to a basis to compete in the open market with other countries then we cannot expect the business.

Sir Edmund Osler said in part:

"I may be, and I perhaps am rather pessimistic as to the immediate outlook for business and the general development of the country for a year or two. I don't see how we can avoid having a very serious setback, but looking ahead, taking a period of say five years, I have the most unbounded confidence in Canada, and the development of the country, and in its future. I believe the men who have made Canada what it is, I believe the pioneers of Canada, will still develop it to a degree probably higher than any other part of the world. I have a great belief that from among our returning soldiers will be found the men who are going to be the leaders in Canada, with a proper outlook and stronger idea of what is their duty than has ever happened among the people of Canada before."

Conditions in the United States

Forward trade in some lines in the United States has been in a state approaching stagnation for some time. However, the opinion grows that the process of deflation should soon be completed. In this connection Hayden, Stone & Co., New York, say:

While scarcely conducive to enthusiasm, the process of deflation through which we are now passing is one that every thinking man must recognize as something that is inevitable, if we are ever to get back to a "peace" basis. It is, of course, uncomfortable for all concerned, yet it is proceeding in an orderly manner; so far there is nothing about it remarkable, or even anything to make one really uneasy. The only unfortunate feature is the impression that those in some quarters attempt to create, that any one class is immune from its effects. Any effort to oppose this process not only prolongs the distress, but is bound to bring about all the sharper defeat of the very object sought for. It is particularly regrettable as this attempt alone introduces a factor of danger into the situation. However, it is impossible to make water run up-hill, and though unfortunate, this is a matter that is bound, in time, to conform to the working out of economic laws.

Another view of the situation from the American standpoint is given by the First National Bank of Boston:

As anticipated, forward business is being sharply restricted, and this process is likely to continue until a complete readjustment of raw material prices to peace conditions gives producer and dealer a fair basis on which to work. Actual curtailment in manufacturing in textiles, primarily woolens, is in evidence. Already prices of various basic products have been reduced. The pig iron market has declined several dollars per ton, carrying with it the prices of many iron and steel products. Copper has dropped five or six cents a pound and some large producers are curtailing output. An over-supply of skilled labor not existing, wages are not receding; in fact, demands are being made for shorter hours. While labor troubles of a serious order seem inevitable in the readjustment period, it is interesting to note the attitude of English employers, who are doing their utmost to avoid labor disturbances and are proceeding on the basis of postponing wage reductions perhaps for a long period, attempting to find a way out of the dilemma by demanding an increased output per man. The pre-war wage scale for English weavers was about 60 per cent. that maintained in this country. These wages in each country have a little more than doubled, the ratio remaining the same. At first glance this might seem to increase the labor differential favoring England, but inasmuch as the pre-war cost of labor per unit of certain goods was lower here than abroad, owing to larger output, the increase in wages acts in favor rather than against us. That labor adjustment here is imminent is indicated by the fact that twelve states now report an over-supply of common labor.

More Optimistic Note

On the other hand the National City Bank of New York takes a more optimistic view of the situation, although pointing out that there are some undesirable conditions which must be faced. No collapse in prices is anticipated:

"The indications are that wages and prices are going to stay up, for a time at least, all over the world, which will do much to simplify the situation in every country. The general state of credit expansion all over the world will sustain and naturally cause a higher level of prices than prevailed before the war and there will not be the same pressure to lower wages and prices in this country that there would be if the level was falling in other countries."

BRITISH INDUSTRIES FAIR

To Be Held in London, February 24th to March 7th

The British Industries Fair, organized by the Department of Overseas Trade (Development and Intelligence) of the British Government will be held in London from February 24th to March 7th next. The coming Fair will be confined to the same trades which have participated in the last three Fairs, and about 600 British manufacturers will be exhibiting the following classes of goods, viz.:

China and Earthenware.
Glass of all Descriptions.
Paper.
Stationers' Sundries.
Printing.
Fancy Goods and Traveling Requisites.
Toys and Sports' Goods.

U.S. STEEL DIVIDEND

Extra Distribution on Common Reduced to 1% Quarterly.

NEW YORK—Reflecting post-war conditions in the steel and iron industry, directors of the United States Steel Corporation to-day reduced the extra dividend on the common shares to 1 per cent. quarterly, after declaring the regular dividends of 1¾ per cent. on the preferred and 1¾ on the common. The rate of extra dividend in the previous quarter was 2 per cent. and for the 18 months preceding that period, extra quarterly dividends of 3 per cent, had been disbursed. The quarterly statement issued in connection with announcement of the lower dividend, offered ample explanation for the directors' actions. Total earnings, after deducting an estimate of $50,000,000 for Federal income and war excess profits taxes, were reduced to $35,354,165; net income fell to $25,437,193 and surplus to $2,997,255.

ANALYSIS OF BANK STATEMENT FOR DECEMBER

Assets

	Dec., 1918	Nov., 1918	Change in month	Dec., 1917	Change in Year.
Immediately Available Liquid Resources					
1--Specie .....$	79,315,616	$ 83,776,756—	$ 4,461,140	$ 82,032,863—	$ 2,717,247
2—Dom note ..	175,744,885	182,212,720—	6,467,835	167,509,121+	8,235,764
4—Gold reserve.	130,900,000	131,500,000—	600,000	97,270,000+	33,630,000
9—U.K. banks .	13,867,198	13,026,750+	840,448	13,372,000+	495,154
10—For. banks.	43,220,938	46,632,903—	3,411,965	51,355,562—	8,134,624
11—Gov. secs. ..	206,935,283	278,208,357—	71,273,074	188,703,175+	18,232,108
15—Call loans ab.	150,248,322	171,035,732—	20,787,410	134,483,482+	15,764,840
	$ 800,232,242	$ 906,393,218—	$106,160,976	$ 734,726,247+	$ 65,505,995
Loans and Securities Other Than Those of Canadian Government					
12—Public secs..$	253,518,074	$ 248,398,067+	$ 5,120,007	$ 224,093,823+	$ 29,424,251
13—Railway secs.	53,137,962	52,678,241+	459,721	55,609,275—	2,471,313
14—Can. call ..	89,120,423	85,675,063+	3,445,360	71,779,020+	17,341,403
16—Cur. loans .	1,075,640,003	1,082,709,655—	7,069,652	858,533,298+	217,106,705
17—Loans abroad	119,153,924	110,010,815+	9,143,109	111,581,098+	7,572,826
19—Prov. loans.	8,420,256	6,132,065+	2,288,191	9,774,419—	1,354,163
20—Municipal ..	30,684,052	40,865,358—	10,181,806	36,353,039—	5,668,987
	$1,629,674,694	$1,626,469,264+	$ 3,205,430	$1,367,723,972+	$261,950,722
Other Assets					
21—Ov'due debts $	4,543,057	$ 4,172,509+	$ 370,548	$ 4,859,343—	$ 316,286
22—Real estate .	5,526,339	5,566,561—	40,222	5,570,572—	44,233
23—Mortgages ..	2,161,080	2,089,914+	71,166	1,804,157+	356,923
24—Premises ...	52,550,835	52,547,327+	3,508	51,484,586+	1,066,249
25—Lets. of cred.	33,670,067	32,259,531+	1,410,536	21,981,345+	11,688,722
26—Other assets	2,042,436	2,109,863—	67,427	2,570,859—	528,423
	$ 100,493,814	$ 98,745,705+	$ 1,748,109	$ 88,270,862+	$ 12,222,952
Total......	$2,530,400,750	$2,631,608,187—	$101,207,437	$2,190,721,081+	$339,679,669
3—Note cir. dep	5,858,102	5,853,438+	4,664	5,769,631+	88,471
5-8—Int. bk. bal.	153,576,329	146,179,672+	7,396,657	126,673,071+	26,903,258
Gross	$2,689,835,181	$2,783,641,297—	$ 93,806,116	$2,323,163,783+	$366,671,398

Liabilities to the Public

	Dec., 1918	Nov., 1918	Change in month	Dec., 1917	Change in Year.
Liability to Governments and Circulation					
1—Circulation .$	224,501,117	$ 234,982,978—	$ 10,481,861	$ 192,923,824+	$ 31,577,293
2—Dom. Govt..	254,927,913	388,970,727—	134,042,814	65,998,553+	188,929,360
3—Prov. Govt..	14,756,299	18,287,227—	5,530,928	16,781,521—	2,025,222
Deposits by Public					
4—Demand dep.$	711,034,060	$ 666,366,359+	$ 44,667,701	$ 569,441,871+	$141,592,189
5—Savings dep.	958,473,557	939,329,271+	19,144,286	995,978,013—	37,504,456
Total Can. ...	$1,669,507,617	$1,605,695,630+	$ 63,811,987	$1,565,419,884+	$104,087,733
6—Foreign dep.	206,945,143	221,299,711—	14,454,568	174,779,104+	32,066,039
Due to Banks Abroad, etc.					
9—Utd. King...$	4,868,847	$ 3,151,764+	$ 1,217,083	$ 3,032,669+	$ 1,336,178
10—Foreign	23,794,453	24,118,428—	323,975	91,841,884+	3,952,569
11—Bills payable	916,612	947,698—	31,086	3,479,765—	2,563,153
12—Acceptances.	33,670,067	32,259,531+	1,410,536	21,981,345+	11,688,722
18—Other liab..	4,830,273	5,587,253—	756,980	6,860,750—	2,030,477
Public liab...	$2,438,118,841	$2,525,300,947—	$ 97,182,606	$2,071,099,299+	$367,019,042
8—Due bet. bks.	10,133,291	12,497,776—	2,364,485	10,624,093—	500,802
Gross	$2,448,251,632	$2,547,798,723—	$ 99,547,091	$2,081,723,392+	$366,578,240

C.P.R. DROPPED $10,000,000 IN NET EARNINGS

On the Regular Railway Revenue Made Less Than Eight Per Cent.

LOWEST IN 10 YEARS

Much Will Depend Now on Special Account—New High Record in Gross of $157,000,000

While the final statement of earnings of the Canadian Pacific Railway Company for the year 1918 will not be available until some time in March, the figures deduced from the monthly accounts serve to give a fairly accurate idea of the relative position of profits for the shareholders for the two years. As has been evident all through the year, and as the FINANCIAL POST urged when the increased scale of wages under the McAdoo award were going into effect, and the earlier appeal of the roads for higher rates was before the Dominion Railway Commission, the very heavy additions to the costs of operation have served to cut down the net profits of the road. So far do the increased rates compensate for the higher wages, costs of coal, etc., that an increase in the gross earnings for the year of over $5,000,000 finds the net earnings actually over $12,000,000 less than in 1917. Indeed, going over the lists for the last nine years, never were the net earnings so small as this past year. Back in 1910, when the gross earnings were only a little over $100,000,000, the net earnings were over $36,000,000, whereas last year, with gross 57 per cent. greater, $157,000,000, the net earnings were only a little over $34,000,000.

It should be noted at the outset, however, that the method of figuring the net earnings is a little different, in one respect, than in previous years. In a note attached to the report for the twelve months the company states:

"The total figures to date take into working expenses all the back wages payable during 1918 under the McAdoo Award and do not include in the net earnings the net earnings of coastal steamers and commercial telegraphs, which have already been taken into the company's Special Income Account."

If the amount taken into this special account were the same as last year this would represent really $1,968,682 more in comparison with last year, or bring the comparative figures to $36,471,000 and $46,546,000, or a difference in favor of 1917 of about $10,000,000.

Available for Common

The following table shows what would be available for common dividends on the basis of last year. On this basis there would be left $20,545,968 as compared with $30,620,916, representing a percentage of 7.9 this past year earned on common, as compared with 11.7 per cent. in 1917. Thus less than 1 per cent. remains as a surplus from the regular revenue of the C. P. R. for the year 1918, after meeting the common dividend of 7 per cent., as compared with close to 5 per cent. surplus one year ago. In addition ordinarily there is paid 3 p.c. more out of the special account. After this was done last year there was a balance of $2,913,299 on special account, in addition to the balance of $12,420,916 on ordinary acount. On the same basis this year the balances would be:

Ordinary account	$ 2,345,968
Special account	2,913,299
	$5,259,267

The comparative figures for the two years,—on the basis of the same deductions, would be as follows:

	1918	1917
Net earnings	$34,502,387	$46,546,018
Deduct:		
Fixed charges	$10,229,143	$10,229,143
Pension fund	500,000	500,000
Pref. dividends	3,227,276	3,227,276
Net earn. steamships, comm. tel., etc.	....	1,968,682
Bal. avail. for com....	$20,545,968	$30,620,916
Percentage earned ...	7.9	11.7
Com. dividends	18,200,000	18,200,000
Bal. surp. for year....	$ 2,345,968	$12,420,916
Special account	*.......	21,635,750
Less 3% on com.	7,800,000	7,800,000

*Not yet available.

A comparison with other years shows a low record for net since 1910, but a new high for gross. The last nine years compare as follows:

	Gross	Net
1918	$157,537,698	$34,502,387
1917	152,389,334	46,546,018
1916	139,729,687	50,476,499
1915	109,397,246	43,525,235
1914	110,466,785	34,788,067
1913	141,155,657	46,326,160
1912	134,279,363	45,959,144
1911	110,946,516	38,553,520
1910	100,851,629	36,386,789

Taking the figures by months in 1918 it is seen that in all except October there was a decrease in net as compared with 1917:

1918	Gross	Net	Net dec.
Jan. ....$	10,789,817	$ 1,167,993	$ 1,263,485
Feb.	9,574,301	590,898	1,395,150
Mar.	12,427,914	2,992,781	944,536
April ...	13,328,848	3,455,389	719,588
May . ..	13,314,116	3,687,775	863,944
June . ..	12,577,286	2,812,147	1,103,750
July . ..	12,374,164	2,170,011	1,589,995
Aug. . ..	13,109,753	3,208,630	608,907
Sept. . ..	13,584,770	3,121,440	625,709
Oct. . ..	15,682,780	5,085,835	*31,133
Nov. . .	15,023,088	3,398,472	1,859,420
Dec. . .	15,750,854	2,811,011	1,100,266
Total ...	$157,537,698	$34,502,387	$12,043,630

*Increase.

PUBLIC OWNERSHIP AND PORK PACKERS

Argument That Private Interests Can Best Serve the Public

WASHINGTON. — Testimony of the five leading packers at the hearings of the House Interstate Commerce Committee on legislation to regulate the meat industry concluded to-day.

A statement by Edward A. Cudahy, of Cudahy & Co., was read by his attorney, Thomas Creigh, and T. E. Wilson, of Wilson & Co., read a prepared statement and was questioned by committee members.

"As a business man I do not believe in Government ownership," said Mr. Cudahy's statement. "Nor do I think it would be a success or as efficient with respect to the packing industry or of as great benefit to the public as the present system."

No Combine, Says Swift

L. F. Swift, president of Swift & Co., said he wanted "to deny specifically that Swift & Co. is in any combination, either in buying or selling, or in any other way, with any other packer."

Profits under the Food Administration rulings and limitations were much lower than the previous year, according to Mr. Swift. "Our company made net profits of less than 2% in 1918 as against a trifle less than 4% in 1917," he told the Senate Committee. "In other words, in 1917 we did a business in excess of $875,000,000 at a profit of less than 4 cents on the dollar of sales, and in 1918 we transacted a business in excess of $1,200,000,000 and our profits were only 1.76 cents per dollar of sales.

NOVA SCOTIA'S GROWTH

Production Far in Excess of 1917—Halifax, World's Third Port

HALIFAX.—The annual end of the year number of the "Halifax Herald" bears striking testimony to the progress made by Nova Scotia during the past year.

The total estimated value of the industries of Nova Scotia during the year 1918 amounted approximately, and from returns only partially official, to $181,630,314. Principal Cummings, of the Agricultural College, calculated the value of the field crops of Nova Scotia in the year at $42,680,314. The returns from the fisheries, forest, mine and factory aggregate $138,950,000, making the grand total of $181,630,314. This compares with the estimate last year for 1917 of $145,885,000.

The edition also emphasizes the important role played by Halifax during the year, dwelling on the "London Times'" characterization of the port as the third most important in the world, and the enormous industrial expansion of the city as evidenced by the establishment during December of six new branch banks by the various banking institutions of the country.

FREEING COAL TRADE FROM RESTRICTIONS

Weather Has Been a Big Factor in Relieving the Situation

PITTSBURGH—In the anthracite as well as the bituminous trade, activities and regulation by the Fuel Administration have already become reduced to comparatively small proportions. Outside of stove and chestnut sizes, anthracite may be shipped about as the operator pleases. This condition, as is well known, has been largely the result of the mild weather. Some cancellations of orders are being received and retail distributors in certain large cities are advertising to certain domestic consumers that severe weather in the next 6 or 8 weeks may still make it advisable to see that bins are not allowed to get too low.

Operators and dealers in fact are finding it difficult to immediately place all of their tonnage of domestic sizes, which is a decided change from the situation a few weeks ago. Steam sizes are in such scant request that they continue to be stored by the large companies.

The uncertainty of prices, as well as large supplies, is maintaining a waiting attitude in the bituminous trade. Now that price restrictions are to come off February 1, everyone is guessing what the market will do, and even on the high grades of coal opinion in many quarters now inclines to the belief that there will be some reductions. Leading interests have not yet named new prices for contracts and spot coal, and others usually wait to take these as a basis.

It is generally remarked that it will take a few months for large consumers to work off the large stocks of bituminous they have and as much of this is of poor quality received during the war, but not through their usual trade connections they desire to get rid of this before again taking in more coal. Consequently most authorities say the readjustment to a peace basis may extend well along towards the first of July.

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Reconstruction and Cost Accounting

COST Accounting is the science on which far-seeing executives are laying emphasis now that the period of reconstruction is here with its problems. Base the foundations of forthcoming prosperity on a sound system to suit your own business. Here are

THREE GOOD BOOKS ON THE SUBJECT

Principles of Factory Cost Keeping

By E. P. Moxey, Jr., C.P.A., 1913. (Reprinted 1918.) 102 pages. 5 x 7¼. Cloth binding only. $1.

The best elementary book on cost accounting. The reader unacquainted with the technique of accounts will have no difficulty in getting from this work a clear idea of the essentials of cost accounting and their relative importance. No attempt is made to cover practice, except as necessary to illustrate principles.

Cost Accounting for Institutions

By William Morse Cole, A.M., Associate Professor of Accounting, Harvard University. 1913. 248 pages. 6 x 8¾. Half leather binding only. $2.50.

Presents a comprehensive system of cost accounting for public or private institutions, such as hospitals, hotels, schools, municipal institutions, etc. The use of numbers and symbols for accounts is explained, giving a list of appropriate symbols for institutional work. All important forms are presented. A thorough, complete work.

Cost Accounting

By Major J. Lee Nicholson, C.P.A., and John F. D. Rohrback, C.P.A., member of the firm of J. Lee Nicholson & Company, and Instructor in Cost Accounting, Columbia University. November 15, 1918. Thin paper, limp leather binding. 700 pages. 5¾ x 8¾. Price, $6.

Order the above, and send for the list "Books for Better Business" from

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By JOHN MOODY
Moody's Investment Service, New York.

The dominant features of the situation clearly indicate that there is nothing in the touch and go argument that "the war is behind us, and we are now returning to normal peace conditions and a big after-war boom is immediately before us." A boom or revival is before us, yes, but it is too far before us to warrant our wasting much thought on its details at this time. The real thing that is immediately before us is the decidedly uncertain and dangerous year, 1919. The political developments and the work of the allied statesmen during the year 1919 are the unknown quantities, but on these pending developments will very directly hinge the revival of world prosperity and the return to normal peace conditions in 1920. If the peace conferees act wisely; if they are just but practical in their terms; if they work in harmony for the establishment of a permanent league of free nations, and thus put new life and confidence in the future, thereby building the credit of the world on firm foundations; and if, coincident with this, the people in the Central Powers are pacified, and gradually return to peace and industry under stable representative governments—if such are the developments of 1919, then we may safely forecast real revival within another year.

It will of course be understood that any forecasts of probable events are necessarily largely tentative, and may easily be qualified or emphasized by new developments. Thus, should the political situation in Europe right itself more rapidly than now seems probable; should Russia become pacified during the year, or should the pending formation of a stable republic in Germany make unexpected progress the psychological effects of such developments would be decidedly favorable. And should the peace conference make rapid and successful progress and agree upon a sane and practical settlement without friction or difficulty, this would help; just as, conversely, a quarreling tone among the delegates or the formulation of terms which would be so drastic as to drive the German people to desperation and cause the overthrow of the moderates in that country, would have a very adverse effect on our markets. But assuming that reasonably sane councils will prevail, and that no untoward developments will take place, the suggestions I make as to the outlook for the coming year seem plausible:

1. The year 1919 will be characterized by gradually declining commodity prices, cautious buying of commodities, limited output in many lines and lower average profits.

2. Operating costs in most industries will continue high, as wage scales will tend to remain rigid for most of the year, and the cost of raw materials, while declining, will average high for the year as a whole.

3. Margins of safety over dividend payments will be sharply narrowed, as profits formerly due directly or indirectly to war demand will be eliminated. Many industrial corporation dividends will be reduced or suspended.

4. Among the types of corporations most sharply affected by these factors will be the steel and iron companies, all of the munition makers, producers of copper and other metals, and with some exceptions, the motor companies.

5. Among the types of business which will probably not suffer to any great extent if at all during the year 1919, are the food producing concerns, such as sugar, bread making, packing, flour milling and the like. Nor should the stronger type of electric light or power concerns be seriously affected, as the labor problem with them is a minor one. Petroleum companies are unlikely to be adversely affected. Fertilizer companies, and agricultural machinery concerns are likely to be benefited.

6. If steam railroads remain under Government control throughout 1919 and for sometime after, the position of their securities should not be vitally affected by the trade situation. And as the Government improvement policy will probably continue, the business of equipment manufacturing concerns seems assured for the year.

7. The tendency towards declining prices and business curtailment will ease the strain on bank accommodation and thereby relax the money market; the only offsetting factor benig the special strain which will be caused by the flotation of the Liberty Loan in April.

8. With the contraction of the Government demand for the funds of investors, after the completion of the Liberty Loan campaign, there should be a more definite relaxing of the money market; relatively cheap money will then characterize the situation until commodity prices cease sagging and a business revival of some dimensions appears.

9. The practical effect of these developments on the prices of ordinary shares, which are dependent mainly on earning power for their value, will probably for at least the first months of 1919, be definitely adverse. Prices will rise and fall with recurring events, but declines will be more persistent than the recoveries until the point of equilibrium is reached. In other words, we are in a bear market for all stocks which are influenced by the factors mentioned.

10. Bond investments of established character, on the other hand, and high grade stocks not directly responsive to the changing earnings (many industrial preferred issues are in this class) should not be adversely affected by business dullness or depression, and, after the new Liberty Loan has been floated, are likely to score important advances, if they have not done so before.

11. During the last half of 1919, if the peace negotiations are concluded, the crop condition proves sound and the liquidation of commodity costs has been largely accomplished, we may then be on the threshold of a turn for the better. This will especially be possible provided France and Great Britain have by that time gotten their financial houses in order to some extent and are making preparations for the reconstruction period which may set in the following year.

12. In short, while the trend of security prices is likely to be downward for four or five months to come and possibly longer, and the best that can be hoped for is that sound bonds will maintain their approximate values, yet the real opportunity of the decade to come for long pull investors may easily occur before or by the time the year 1919 is half over.

Notwithstanding the indefiniteness of the present situation and its obvious handicaps, no panic conditions seem probable at this time. Admittedly the world is burdened with a crushing weight of debt; its financial problems for the next few years are colossal and the political outlook the world over is obscure. But the recuperative power of civilization is also colossal; millions of wealth producers are demobilizing this year from the armies and going back to the work of wealth creation in both this country and Europe; the Billions of wealth annually produced in the fields of agriculture will be augmented, and after a few years of struggle the world will be on the highway to happier times. Especially will this prove true if the efforts to form a real League of Nations are successful and the menace of possible future wars is definitely brought to an end.

EXCESS TAXES IN UNITED STATES

Collections For 1918 Are Certain to be in Excess of Three Billion Dollars

WASHINGTON.—In collecting income and excess taxes for the fiscal year ended June 30, 1918, more than 3,400,000 returns were examined by the Bureau of Internal Revenue. The face of these returns showed, in round numbers, $2,948,000,000 due the Government. Audit and revision increased the total actually collected by about $17,000,000, or approximately ½ of 1 per cent. variation due to fraud or error, making it $2,965,000,000. Only a fraction of the returns have been audited, so the final collections are apparently sure to exceed $3,000,000,000.

Of this vast tax levy two-thirds, or over $2,000,000,000, came from the excess profits tax on corporations, and $182,000,000 from the excess profits tax on individuals and partnerships.

Individuals to the number of nearly 2,986,000 paid income taxes of over $615,000,000, as compared with $28,000,000 collected in 1914 on returns made by 357,515 persons. In 1914 the minimum exemption was $3,000. In 1918 it was $1,000. The 1918 returns showed approximately 666,000 persons who reported on incomes in excess of $3,000 and 2,320,000 who acknowledged incomes between $1,000 and $3,000.

The tax paid on incomes between $1,000 and $3,000 was $22,395,000 and the tax paid by the other 666,000 individuals was $593,000,000. It is probable that not half of the persons who earned net incomes between $1,000 and $3,000 made any report at all. Under the present law the requirement is for return on net income after all self determined allowances and deductions. For the coming year all persons with gross incomes of $1,000 will be required to make returns, so the number may easily be increased to 15,000,000, or perhaps more.

Corporations to the number of 221,000 reported taxable income, and of these 118,000 paid excess profits tax. This tax amounted to over $2,000,000,000 and after it had been paid and deducted from earnings the straight income tax of all corporations was $61,000,000. This compares with income tax paid by 189,000 corporations in 1914 amounting to $32,000,000.

In 1914 income taxes amounted to less than 16 per cent. of the revenue collected through the Department of Internal Revenue, while in 1918, income and excess profits taxes made up over 76 per cent. of the total. The total was $380,000,000 in 1914 and $3,695,000,000 in 1918. For 1919 it is expected to be $6,000,000,000, of which income and excess taxes will make probably 85 per cent.

UNITED STATES EXPORTS OF FOOD

The Total Value of Shipments in 1918 Was Over $2,000,000

NEW YORK—The total value of foodstuffs sent out of this country in the year just ended amounts, according to a compilation by the National City Bank of New York, to over $2,000,000,000 against an average of less than $500,000,000 per annum prior to the war. In fact the value of foodstuffs exported from the country in the decade preceding the war averaged but $450,000,000 per annum and never in any year prior to the war reached as much as $600,000,000. In the calendar year 1915, however, the first full year of the war, it amounted to $1,012,000,000; in 1916, $1,105,000,000; in 1917, $1,315,000,000 and in 1918, crossed the $2,000,000,000 line. Official figures of exports to foreign countries in the calendar year 1918, show a total of over $1,900,000,000 and when to this is added the amount sent on Government vessels and not included in the official reports of the Custom Houses plus those to our own colonies not classed as exports the grand total of foodstuffs of domestic production passing out of the United States in the calendar year 1918 will exceed $2,000,000,000 or more than four times the annual average in the decade preceding the war.

While this large increase in the value of foodstuffs exported is due in some degree to increased prices, the quantities also show very large increases. The total quantity of fresh beef, for example, exported in the calendar year 1918 amounts to approximately 540,000,000 pounds against only 6,300,000 pounds in the fiscal year 1914, all of which immediately preceded the war and is a much larger quantity than ever exported in a single year, even in the highest record of the years in which fresh beef was passing out of the United States in very large quantities. Bacon, in the calendar year 1918, shows a total of over 1,000,000,000 pounds against less than 200,000,000 pounds in the year immediately preceding the war, and aggregating more than twice as much as in any earlier year. Condensed milk, of which the exportations prior to the war never exceeded 21,000,000 pounds, amounted in 1918 to 553,000,000 pounds. Of wheat, of which a large proportion was in 1918 sent in the form of flour, the total spared to foreign countries is far in excess of that of earlier years.

UNFILLED STEEL ORDERS

A Decrease of 745,000 Tons in December

PITTSBURGH—United States Steel Corporation reports unfilled orders on hand, December 31, 1918, amounting to 7,379,152 tons, against 8,124,663 on November 30, 1918, a decrease of 745,511 tons. On October 31, unfilled orders aggregated 8,153,293 tons; on September 30, 8,297,905 tons; and on December 31, 1917, 9,381,718 tons.

The decrease of 745,511 tons in the unfilled orders of the United States Steel Corporation in December was not unexpected. The shrinkage is merely a development incident to the shifting of the steel industry from a war to a peace basis.

DEVELOPING OUR RESOURCES TO ADVANTAGE

Raw Materials Should Be Made Finished Products at Home

POST-WAR PROBLEMS

Employment Must Be Found For the Thousands of Men Returning From the Battlefields

By W. J. BULMAN
President of the Canadian Manufacturers' Association

The blue ruin prophet during the war was ever present with his insidious suggestion and innuendo. We did not listen then. Surely there is less reason for listening to his treacherous counsel now. I am firmly of the opinion that the next decade will see an expansion and development in Canada, surpassing anything in history. It has been said that the nineteenth century belonged to the United States and the twentieth to Canada. This was recognized to be true.

The awful deluge of war has laid waste not only towns, cities and countrysides, but whole nations will have to be reconstructed. This can only be done by a tremendous development of the world's natural resources. What country is better supplied with these than Canada? Our resources of agricultural land, mines, forests and fisheries have as yet been hardly touched. Now is our opportunity. The market is waiting.

Last year we had approximately 16,000,000 acres sown in wheat, 14,000,000 acres in oats and 30,000,000 acres in other grains. Only one-tenth of the available land has yet been broken. Though tremendous mineral areas have yet to be exploited, we now produce eighty per cent. of the world's nickel output. We stand eighth among the nations in steel production. Our coal areas are 109,168 square miles in extent, and we are known to have some of practically all of the known metals. To assist in the development of these we are said to have a larger supply of water power than any other country in the world, and this fairly evenly distributed throughout the length of our Dominion. We have vast resources of timber and pulp wood, the full extent of which is not yet accurately known. For fishing purposes we have 12,000 miles of sea coast and 220,000 square miles of fresh water, and the fishing industry is only in its infancy.

Surely this is a heritage to be proud of, to be optimistic about. There should be no reason for gloom under present conditions. Even with the burden of debt that the war has left us, we should prosper, and with proper governmental arrangement our burden of debt should grow less and less.

In the time of opportunity now before us it will be useless for us to expect all the shipping we require, just because we have the trade to offer the shipping companies. If we are to become a great commercial nation we must build for ourselves a mercantile fleet in keeping with our enormous productive capacity. The fleets of other nations will be kept busy carrying the products of those nations. There is a world shortage of ships. Our own shipbuilding industry will, therefore, have to be kept up, under Government auspices if necessary.

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The DOMINION BANK

Proceedings of

The Forty-Eighth Annual General Meeting of the Shareholders

THE FORTY-EIGHTH ANNUAL GENERAL MEETING OF THE DOMINION BANK was held at the Banking House of the Institution, Toronto, on Wednesday, the 29th January, 1919. Among those present were noticed: A. E. Gilverson, Graham Campbell, J. C. Moore (Oshawa), Sir Edmund B. Osler, Jesse Ashbridge, S. Jeffrey (Port Perry), A. C. Paull, Major R. J. Christie, W. J. Leonard (Hamilton), Frederick Rohleder (Kitchener), E. W. Hamber (Vancouver), James Carruthers (Montreal), William Davies, Robert H. Shipman (Cannington), W. J. Waugh (Hamilton), W. D. Matthews, Sir Augustus M. Nanton (Winnipeg), H. Crewe, William Mulock, Jr., R. S. McLaughlin (Oshawa), Dr. F. LeM. Grasett, Charles P. Stuart, A. W. Austin, William Ince, W. J. Fleury, A. T. Reid, Edward C. Jones, W. W. Near, J. Harry Paterson, Albert Whitney (Prescott), H. C. Scholfield, Thomas Meredith, Sir Henry M. Pellatt, C.V.O., W. Gibson Cassels, F. L. Patton (Winnipeg), C. C. Van Norman, Frank J. B. Russill, D'Arcy Martin, K.C. (Hamilton), M. S. Bogert (Montreal), H. W. Hutchinson (Winnipeg), E. G. Gooderham, R. L. Defries.

It was moved by Sir Augustus M. Nanton, seconded by Mr. H. W. Hutchinson, that Sir Edmund B. Osler do take the Chair and Mr. C. A. Bogert do act as Secretary.

Messrs. Graham, Campbell and W. Gibson Cassels were appointed Scrutineers.

The Secretary read the Report of the Directors to the Shareholders, and submitted the Annual Statement of the affairs of the Bank, which is as follows:

TO THE SHAREHOLDERS:

The Directors beg to present the following Statement of the result of the business of the Bank for the year ended 31st December, 1918:

Balance of Profit and Loss Account, 31st December, 1917			$ 393,004.84
Profits for the year, after deducting charges of management and making full provision for bad and doubtful debts		$1,169,798.38	
LESS:			
Dominion Government War Tax (on circulation)	$60,000.00		
Taxes paid to Provincial Government	23,300.00		
		$ 83,300.00	
Making net profits of			1,086,498.38
			$1,479,503.22

Which amount has been disposed of as follows:

Dividends (quarterly) at Twelve per cent. per annum		$ 720,000.00	
Contributions to Toronto and York County Patriotic Association and Canadian Red Cross Society	$25,000.00		
Contribution to Navy League of Canada	10,000.00		
Contribution Catholic Army Huts Campaign	1,000.00		
Contribution to Y.M.C.A. Red Triangle Fund	2,000.00		
		$ 38,000.00	
Contribution to Officers' Pension Fund		25,000.00	
		$ 783,000.00	
Written off Bank Premises		250,000.00	
		$1,033,000.00	
Balance of Profit and Loss Carried Forward		446,503.22	
			$1,479,503.22

E. B. OSLER, President. C. A. BOGERT, General Manager.

Your Directors feel that the statement submitted showing continued increased earnings and a general expansion in the Bank's business, will be received with satisfaction by the Shareholders.

During the year Branches were opened at St. Catharines, Ontario, and in Manitoba at Teulon, and Union Stock Yards, St. Boniface. Our Office at Walkerville, Ontario, was closed.

Expenditures on Bank Premises were unimportant—$250,000 has been written off this account out of the year's profits.

The Head Office and Branches of the Bank have been carefully inspected and your Auditors, Messrs. G. T. Clarkson and R. J. Dilworth, have made their usual thorough investigation of its affairs.

E. B. OSLER,
President.

Toronto, 29th January, 1919.

The Report was adopted.

The retiring Auditors, Messrs. Geoffrey T. Clarkson and Robert J. Dilworth, were reappointed for the current year.

The thanks of the Shareholders were tendered to the President, Vice-President and Directors for their services during the year, and to the General Manager and the other Officers of the Bank for the efficient performance of their respective duties.

The following gentlemen were duly elected Directors for the ensuing year: Messrs. A. W. Austin, James Carruthers, Major R. J. Christie, Sir John C. Eaton, E. W. Hamber, H. W. Hutchinson, W. D. Matthews, R. S. McLaughlin, Sir Augustus M. Nanton, W. W. Near, Sir Edmund B. Osler, A. T. Reid and H. H. Williams.

At a subsequent meeting of the Directors, Sir Edmund B. Osler was elected President, and Mr. W. D. Matthews, Vice-President for the ensuing term.

General Statement

Liabilities

Capital Stock paid in			$ 6,000,000.00
Reserve Fund		$ 7,000,000.00	
Balance of Profit and Loss Account carried forward		446,503.22	
Dividend No. 145, payable 2nd January, 1919		180,000.00	
Former Dividends unclaimed		3,690.00	
			7,630,193.22
Total Liabilities to Shareholders			$ 13,630,193.22
Notes in Circulation		9,858,533.00	
Due to Dominion Government		11,000,000.00	
Deposits not bearing interest	$33,843,584.77		
Deposits bearing interest, including interest accrued to date	62,264,126.61		
		96,107,711.38	
Balances due to other Banks in Canada		1,131,994.04	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		1,002,534.64	
Bills Payable		86,520.00	
Acceptances under Letters of Credit		305,616.76	
Liabilities not included in the foregoing		383,171.94	
Total Public Liabilities			119,876,081.76
			$133,506,274.98

Assets.

Gold and Silver Coin	$ 1,940,780.53	
Dominion Government Notes	13,473,468.00	
Deposit with Central Gold Reserves	4,600,000.00	
Notes of other Banks	1,037,315.49	
Cheques on other Banks	4,995,232.10	
Balances due by other Banks in Canada	7,779.15	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	2,443,405.46	
	$28,497,980.73	
Dominion and Provincial Government Securities, not exceeding market value	9,966,508.15	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	13,009,830.54	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	2,376,325.95	
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks	8,408,800.29	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada	1,269,403.93	
		$ 63,528,849.59
Other Current Loans and Discounts in Canada (less rebate of interest)	$64,092,006.46	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	26,782.18	
Liabilities of Customers under Letters of Credit, as per contra	305,616.76	
Real Estate other than Bank Premises	11,470.43	
Overdue Debts (estimated loss provided for)	85,605.91	
Bank Premises, at not more than cost, less amounts written off	5,128,854.04	
Deposit with the Minister of Finance for the purpose of the Circulation Fund	304,500.00	
Mortgages on Real Estate sold	22,589.61	
		69,977,425.39
		$133,506,274.98

E. B. OSLER, President. C. A. BOGERT, General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

We have compared the above Balance Sheet with the books and accounts at the Chief Office of The Dominion Bank, and the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the principal Branches on December 31st, 1918, we certify that, in our opinion, such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs, according to the best of our information, the explanations given to us and as shown by the books of the Bank.

In addition to the examinations mentioned, the cash and securities at the Chief Office and certain of the principal Branches were checked and verified by us at another time during the year and found to be in accord with the books of the Bank.

All information and explanations required have been given to us and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

R. J. DILWORTH, of Clarkson, Gordon &
G. T. CLARKSON, Dilworth, C.A.

Toronto, January 21st, 1919.

THE PART OF OIL IN PROGRAM OF RECONSTRUCTION

Former President of Imperial Oil Co. Reviews Situation

DEMANDS OF PEACE

Industry Which Played Such a Large Part in the Winning of the War Should Not Suffer in Readjustment

By **WALTER C. TEAGLE**
President of the Standard Oil Co., of New Jersey

The industry will have as important a part to play in International reconstruction as it had in the prosecution of the war. Lord Curzon's generous and well-turned truism, "the Allies floated to victory upon a sea of oil," for which consummation the distinguished British statesman gave full credit to "our friends in the United States," expressed what was perhaps the most outstanding tribute paid to any branch of the industrial auxiliaries of the Allies.

The oil trade, therefore, begins its first full peace years since 1913 with the satisfaction of having lived up to the high standards set for it during the war and with many business animosities and misunderstandings removed by the intimacy and co-operation which the war produced and with still a very large work to be performed in making possible the continued industrial prosperity of our own country and the reconstruction of those devastated by war.

During the past year the factors which operated to retard the drilling of oil wells during 1917 continued in effect. Producers were again faced by increasing wage scales and the steadily dwindling available supply of material and pipe and the demoralization of traffic conditions, particularly in the early part of the year. Some strikes and unfavorable climatic conditions were other obstacles which were frequently in the path of the producer, but nevertheless the year-end statistics show some progress made.

During the first eleven months of 1918, 23,742 wells were completed in the United States, as against 22,869 for the corresponding period of 1917 and 21,302 in 1916. Of the wells completed in the first eleven months of the past year 16,385 produced oil, as against 15,205 in 1917, and 17,465 for the similar period of 1916. The initial production for the first eleven months of the year shows a corresponding gain, being 1,506,466 barrels as against 1,428,519 barrels in the first eleven months of 1917, and 1,477,901 barrels in 1916.

Increased Production Last Year

There was an increase in production in 1918 over previous year amounting to about 15,000,000 barrels, which gain was, of course, due to the larger output of the mid-Continent fields, California and Wyoming. If we take the production for the first ten months of this year at 286,000,000 barrels and estimate 28,500,000 barrels as the production in each of the last two months of the year, we shall have an estimated year's production of 343,000,000 barrels, and this amount, if it is correct, represents a fair increase over the production of 1917, which was 328,000,000 barrels. This is briefly the production situation in the past year and my impression is that my estimate for this year is conservative.

Stocks of crude were reduced during the first eleven months of 1918 to the extent of some 15,000,000 barrels, and as this movement was still in progress during December, the depletion for the year will probably be shown to amount to 17,000,000 or 18,000,000 barrels. This will be less than the drain on stocks in 1917, when they were reduced by 20,000,000 barrels. Stocks of crude decreased in each of the last three years, and this tendency was again strongly in evidence during last year, despite the fact that production increased 15,000,000 barrels and that imports of Mexican crude were 6,000,000 and 7,000,000 barrels more than in 1917.

Active Drilling Now Under Way

The question naturally arises as to whether 1919 is to be subject to the same influences as the preceding three years and events in the war arena, as well as in the oil industry itself, would seem to be against this theory. With the cessation of hostilities the long siege of our crude resources is to some extent lifted, and as a result of the splendid effort put forth to meet, to the utmost possible extent, the crude oil requirements of a long war we are experiencing more active operations in the drilling field than the industry has ever before known. The present situation may be said to point to the probability of increased production, due to the developments in central Texas. The release of ships for the Mexican oil trade should also operate toward the rehabilitation of oil stocks.

There were 7,004 rigs up and wells drilling on December 1, 1918, which compares with 5,178 on December 1, 1917, which was of itself a record at that time. This would be very gratifying were it not that the outlook is somewhat narrowed by the fact that no new pools, with the exception of central Texas, have been opened up that promise to offset the normal decline in the old oil wells.

With reduced run of crude it will still be possible to materially increase our exports of refined oil, gasoline, and lubricating oil for the obvious reason that the production of high grade fuel oil for Admiralty purposes, which necessitated the running of large quantities with this end alone in view, will be no longer required. Refinery methods will return to pre-war practices resulting in a larger output of refined and lubricating oils.

Neutral Markets Must Restock

The neutral markets, which have been denuded because available stocks were taken for war purposes, will begin to re-stock, but it will take time to replenish these stocks in addition to supplying their current requirements of gasoline, refined and lubricating oils. The myriads of motor cars used for war work in Great Britain and Europe will continue as one of the most necessary aids to reconstruction, and their consumption of gasoline will probably show little dimnution by reason of peace. In only one form of our exports of petroleum products, that of high grade fuel oil, can we look for any market contraction, and the industry will have as important a part to play in assisting the world's return to its old posiion, as was its honorable and effective contribution to war.

CANADA'S 1918 TRADE

Volume Smaller Than 1917, But Larger Than 1916.

OTTAWA—A summary of the trade of Canada for 1918, issued yesterday by the Dominion Bureau of Statistics, places the value of Canadian exports for the twelve months at $1,229,708,244, as compared with $1,547,340,885 for 1917, and $1,091,706,403 for 1916. Imports for consumption were to the value of $906,954,900, as against $1,005,071,716 in 1917 and $766,501,512 in 1916.

There was a considerable falling off in the amount of duties collected in 1918, the total being $154,849,472. In 1917 collections reached $167,041,330, while in 1916 the customs revenue stood at $139,002,178.

During 1918 goods exported to the United Kingdom were to the value of $594,250,690. In 1917 they were valued at $873,706,892, and the 1916 figures stood at $709,566,967. Imports from the United Kingdom likewise dropped, being to the value of $72,879,109, as against $91,136,728 in 1917 and $102,956,836 in 1916.

The United States exports to Canada fell below the 1917 figures, when they were to the value of $828,886,594, as against $738,142,064 in 1918. In 1916 the United States sold to Canada goods worth $592,088,039. Canada sold to the United States goods valued at $433,232,149, which was approximately two million dollars' worth more than in 1917. In 1916 our sales amounted to only $260,924,864.

Canada's exports to France in 1918 stood at $101,501,396, or just a little more than one-half of the value of French goods imported in 1917, but almost twice the value of 1916 exports, which was $55,771,533. Our imports from France were small, being to the value of $3,754,761, as against $5,715,770 in 1917 and $6,371,086 in 1916.

POTASH PROTECTION

WASHINGTON.—The present condition of the domestic potash industry has exercised officials of the Interior Department to the point where plans for the assurance of its permanency under peace conditions are being tentatively discussed.

It is recognized that, at the present stage of its development, the domestic industry cannot hope to continue if brought into unprotected competition with the potash deposits of Germany and Alsace. At present the domestic output would be brought into competition at an approximate cost of production of $3.50 per unit with the foreign article at a production cost of about one-fourth that amount.

Abandoning hope of having the electric railway service of the defunct London and Lake Erie Transportation Company resumed residents of the village of Lambeth have co-operated in the organizing of a motor truck service. Cars will be operated between London and Lambeth.

TAXATION OF BIG MAIL ORDER FIRMS IS NOW PROPOSED

Retail Merchants Asking Action by Ontario Legislature

A WIDE MOVEMENT

Likely to Spread to Other Provinces—Figures Being Compiled to Show Volume of Business Being Done

Action in the interests of the merchants in small towns in competition with the big mail order houses will be asked at the next session of the Legislature by the Ontario Retail Merchants' Association. The plan which is under discussion and which will likely be favored is to tax the mail order houses on the basis of the volume of business they do in each place. In order to arrive at this amount of business it is proposed to obtain the figures from the railway companies, the express offices and from the parcel post department. No recommendation in regard to the rate of assessment has as yet been made. This will probably be left over until it is seen what action the Ontario Legislature takes in regard to the proposal.

May Be Extended

There is every probability that if the Ontario Legislature takes action along the lines suggested that the Retail Merchants' Association of Canada will take the necessary steps to obtain similar taxation in each province.

If the situation in other provinces is anything like that in Ontario, at least what letters of merchants would indicate it is like, then the small town merchants are having troubles of their own. A great number of letters from all over Ontario have been received by the Ontario Association. Practically without exception they tell of the inroads the big department stores are making on the business in the small towns and they urge in no uncertain language that action be taken to tax the profits of the big firms.

The point is also made that under the present system of parcel post the mail order houses have a tremendous advantage. It is suggested by some that regulations in connection with the parcel post system be modified so that the mail order houses cannot use them to the extent they do now.

Many of the merchants freely predict that unless something is done the country merchants will gradually be forced out of business.

Keenly Interested

In the meantime retailers all over the country are following with keen interest the action that is to be taken in Ontario.

The following editorial from the Owen Sound "Advertiser" may be said to sum up the views of the Ontario merchants:

"The Ontario Government is considering placing a tax on mail order houses in order to protect the merchants in the smaller towns and cities against their competition. At a meeting of the Assessment Committee of the Legislature Mr. Proudfoot raised the question; and wholesalers present were unanimous in the opinion that the big departmental stores, through their mail order business, were driving the small merchants in the country towns out of business. They stated further that the postal service, by carrying parcels at a loss and paying for it out of the carrying of letters, was giving the mail order houses an unfair advantage.

"We hope the Government will act; it should have done so long ago. It has long been well known that the mail order octopus was crushing the life out of the country merchants, drawing, by its bait of attractive catalogues and tempting advertisements, business that should go to them. That the Government appears at last to be realizing that Toronto is not the whole province is a good sign.

"Mr. Proudfoot's suggestion was that the departmental stores should be taxed according to the business done in each municipality. The only objection raised to that plan was that it would be difficult to enforce; but we do not see where there would be much difficulty. The mail order houses know where their goods go; all that would be required would be a statement from them, giving the amount received from each municipality—which would involve a good deal of work, but presents no special difficulty.

"The point raised regarding the operation of the parcel post should be looked into. Is there any reason why any service should be operated at a loss, and why the loss should be made up by persons who do not use it? Why should each department of the service not carry itself? It does not look fair to overcharge letter-writers for the benefit chiefly of institutions that are actually a detriment to the country at large.

"But the matter of postal rates is incidental; the main point of interest is action to loosen, if possible, the hold the mail order houses have gained on the business of the province at the expense of those to whom it should go."

Effective February 1, railway freight sheds in Canada will open at 7.30 a.m. and close at 5 p.m., except on Saturday, when the hours will be from 7.30 a. m. to 1 p.m.

THE POPULAR CIGARETTE

Nearly 60,000,000,000 Manufactured in United States Last Year

NEW YORK.—Recent Washington statements indicating a sale of 39,000,000,000 cigarettes in the United States during 1918 do not tell the real story of the expansion of this branch of the tobacco industry. It is true that the internal revenue tax was paid on 39,000,000,000 cigarettes, but the actual total manufactured in the country was closer to 60,000,000,000. A leading tobacco interest explains this to Dow, Jones & Co. as follows:

"In addition to 39,000,000,000 cigarettes on which a tax was paid probably 10,000,000,000 cigarettes were sent overseas. And then there was also the very considerable item representing the manufacturing done in this country by the British-American Tobacco Co. It would be a conservative estimate to say that this foreign concern manufactured an additional 10,000,000,000 cigarettes on this side of the Atlantic. This would bring total up to nearly 60,000,000,000.

"The internal revenue figures for 1917 showed 34,832,385,676 cigarettes. It is my belief that the British-American company did half the business in 1917 in this country that it did in 1918 which would bring the total for that year up to approximately 40,000,000,000 not including the product sent overseas. In other words the actual increase of 1918 over 1917 was somewhere between 15,000,000,000 and 18,000,000,000 cigarettes.

In the following table are given the internal revenue figures of the cigarette industry since 1900. Even using the 39,000,000,000 figure there has been a gain of about 1200 per cent. in 19 years:

Year	Sales	Year	Sales
1918	39,000,000,000	1908	5,760,501,290
1917	34,832,385,676	1907	5,270,556,938
1916	25,253,456,591	1906	4,511,997,137
1915	17,957,177,722	1905	3,673,727,411
1914	16,869,520,463	1904	3,433,993,422
1913	15,570,798,487	1903	3,366,486,715
1912	15,183,693,899	1902	2,971,360,447
1911	10,486,379,819	1901	2,728,153,697
1910	8,663,709,484	1900	3,258,716,305
1909	6,836,652,435		

WAR TRADE RECORD OF UNITED STATES

Chief Increase in Exports in Foodstuffs and Finished Manufactures

NEW YORK.—The war record of the foreign trade of the United States shows a decrease in importation of finished manufactures, but an increase in the value of food and manufacturing material imported. On the export side, the chief increase occurs in food and finished manufactures, while raw material shows a reduction in quantity exported.

A compilation by the National City Bank of New York comparing imports of the calendar year 1918 with those of the year preceding the war, 1913, shows that value of manufactures imported even at the high prices of today is slightly less in the calendar year 1918 than in the calendar year 1913, but that the value of raw material imported for manufacture in 1918 was double that of 1913, and of foodstuffs also double that of 1913. Exports of finished manufacture are nearly three times as great in value in 1918 as in 1913; foodstuffs more than three times as great in value, while raw material exported shows but a trifling increase in value, but a marked fall off in quantity. Manufactures exported in condition ready for use in 1918 are in round terms $2,100,000,000 against $780,000,000 in 1913; manufactures for further use in manufacture, $1,100,000,000 against slightly less than $400,000,000 in 1913; foodstuffs approximately $1,900,000,000 against $500,000,000 in 1913; while raw material for manufacturing is but about $900,000,000 in 1918 against $770,000,000 in 1913, despite the fact that raw cotton, the principal article of raw material, sent out of the country shows an average export price in 1918 of about 31c per pound against 12c per pound in the year immediately preceding the war. In fact the quantity of cotton exported in 1918 was but about 2,000,000,000 pounds against 4,482,000,000 in 1913.

The value of finished manufactures exported shows an enormous increase, being for the calendar year 1918 in round terms, $6,000,000,000 of domestic manufactures, against $2,450,000,000 in 1913. While this great increase occurs in part in war material, it is not by any means confined to this class of merchandise, for the value of iron and steel manufactures exported in 1918 shows a total of over $1,000,000,000 against $294,000,000 in 1913, and comparatively little of the increase in iron and steel manufactures exported occurs in war materials. In foodstuffs the increase occurs in material sent to the Allied countries of Europe. The value of foodstuffs exported during the year 1918 is in round terms $1,900,000,000, against $495,000,000 in 1913, being thus four times as much in value in 1918 as in the year preceding the war. While a part of this increase in foodstuffs' value is due to higher prices there is a marked increase in quantity, especially in meats. The fresh beef exported in 1918 shows a total of about 450,000,000 pounds, against less than 7,000,000 pounds in 1913

ENDS GERMAN MYTH

Schwab Shatters Claims for Efficiency in Steel Industry

COBLENZ.—Charles M. Schwab believes German efficiency is a myth. He said to-day:

"What has made Germany so prosperous has been the fact that every militaristic nation has made great strides in industry and commerce. Discipline accounts for this. It is not efficiency, it is hard labor.

"I never feared the Germans in my industry and shall never fear them. Germany is the second largest iron and steel producer in the world, but Germany never discovered a new process."

FORTY-SEVENTH FINANCIAL REPORT OF THE

CONFEDERATION LIFE ASSOCIATION

FOR THE YEAR ENDING DECEMBER 31st, 1918

Submitted at the Annual Meeting, Held at the Head Office, Toronto, January 26th, 1919

CASH STATEMENT

Net invested assets, Dec. 31st, 1917		$21,161,404.51
RECEIPTS		
Premiums—		
First year	$ 642,910.94	
Renewal	2,692,474.41	
Single	198,950.80	
Annuity	16,261.39	
	$3,550,597.54	
Less re-assurances	54,926.79	
		3,495,670.75
Interest	$1,185,034.77	
Rents, net	45,384.38	
		1,230,419.15
Profit on sale of securities		7,724.88
		$25,895,219.29

DISBURSEMENTS		
TO POLICYHOLDERS AND BENEFICIARIES:		
Death claims	$988,876.64	
Endowments	610,540.60	
Annuities	108,718.12	
Matured investment policies	288,927.00	
Surrendered policies	175,636.92	
Profits	355,426.89	
		$ 2,528,126.17
Expenses, salaries, rents, commissions to agents, doctors, solicitors, etc.		1,014,997.15
Government taxes and license fees		80,592.86
Dividend to stockholders		20,000.00
Grant to General Hospital by shareholders		1,000.00
Net invested assets, Dec. 31st, 1918		22,250,503.11
		$25,895,219.29

BALANCE SHEET

ASSETS	
First mortgages on real estate	$ 5,575,175.93
Bond and debentures	10,081,556.00
Stocks	1,152,725.35
Real estate, including Company's buildings at Toronto and Winnipeg	2,118,887.71
Loans on Company's policies	3,190,270.84
Sundry items	9,175.39
Cash in banks and at head office	159,730.18
	$22,287,521.40
Less current accounts	37,018.29
Net invested assets *as per cash statement*	$22,250,503.11
Interest and rents due and accrued	561,715.92
Net outstanding and deferred premiums, *reserves thereon included in the liabilities*	606,563.57
	$23,418,782.60

LIABILITIES	
Re-insurance liability on all outstanding insurances — including premium reductions and annuities	$20,409,652.00
Death claims advised but not yet paid, *including all claims reported to date, and reserve held for unreported claims*	570,115.36
Endowment claims	13,884.00
Present value of instalment claims, death, endowment and disability	62,919.00
Reserve for taxes payable in 1919	41,090.00
Profits to policyholders due and unpaid	51,237.42
Profits allotted to deferred dividend policies issued since 1911	183,590.49
Capital stock paid up	100,000.00
Premiums and interest paid in advance	12,497.06
General expenses	4,752.06
Cash surplus above all liabilities, including investment reserve fund of $277,521.37	1,969,045.21
	$23,418,782.60

Audited and found correct: R. F. SPENCE, F.C.A., (Can.) } Auditors.
A. C. NEFF, F.C.A.,

J. K. MACDONALD,
President.

INSURANCE ACCOUNT

Insurance written and revived.... $18,062,374 Insurance at Risk $91,986,165

OFFICERS AND DIRECTORS

Vice-President and Chairman of the Board, W. D. MATTHEWS, ESQ.
President, J. K. MACDONALD, ESQ.
Vice-President SIR EDMUND B. OSLER.

JOHN MACDONALD, ESQ.
THOS. J. CLARK, ESQ.
PELEG HOWLAND, ESQ.
LT.-COL. THE HON. FREDERIC NICHOLLS
COL. ALBERT E. GOODERHAM
JAMES E. GANONG, ESQ.
LIEUT.-COL. J. F. MICHIE
JOSEPH HENDERSON, ESQ.
JOHN FIRSTBROOK, ESQ.

Secretary: JAMES A. MACDONALD

General Manager of Agencies, J. TOWER BOYD
Medical Director, ARTHUR JUKES JOHNSON, M.D., M.R.C.S. (Eng.)
Actuary, V. R. SMITH, A.A.S., A.I.A.

TO MAKE CONGRESS TOE THE MARK OF DOLLAR-YEAR MEN

Would Have the Politicians Keep Up to War-time Standard

MAINTAINING A CHECK

Suggestion That Power Be Delegated to U.S. Chamber of Commerce to Investigate Government's Acts

By F. W. FITZPATRICK
In the New York "Annalist"

We all are proud of the record made by this country in the war. Some of its achievements were marvels of executive ability and splendid team work. At first there were much floundering about, hesitation, doubt, and anxiety. Then a call went forth to the business men, and they responded with a will. Now, since such wonderful work was done, under stress of dire necessity and by the business men of the country, why should the experience gained in that stress all go for nought, and the entire operation of Government business be allowed to slip back into its old-time ruts? True, there is no such incentive for the business men to keep hold or take hold of Government affairs in peacetime as in war. In wartime every individual's welfare and the very existence of the nation are at stake. Yet right now, though we have so-called peace, the conditions are such as to challenge every thinking business man to put forth his best efforts to steer national affairs straight and away from the rocks. Note, though, that since the armistice the business men, the "dollar a year" ones who were helping the Government, have fairly raised clouds of dust in their haste to get back home and attend to their own business.

Some departments and bureaus were and are, no doubt, exceedingly well managed, but the men doing that work are handicapped in their efforts. Oh, yes, we find splendid work in every department. Farm improvement, pure food, standardized weights, measures, materials. I could spend a week telling of the wondrous achievements of Government men in widely diversified fields of activity. But their work is hampered, often nullified, by the stupidity, the red tape. the jealous and petty meanness of the regular system that has grown up in Government departments.

A Costly Business

The handling of Government business from now on is going to cost enormously at best. We used to cry out in pain when those expenses rose to a billion or so. From now on we'll count only in billions. And every year we must know that nearly one-half, certainly over one-third, of that huge taxation is utterly wasted. In Congress and in the departments there is endless duplication of effort and of work and of records. The departments overlap. Ex-President Taft is authority for the statement that seven departments are dealing with the subject of transportation, four departments and three commissions are dealing with the regulation of commerce, five departments with subjects of agriculture, forestry, and fisheries, five with public health, and six with the care of the defective and dependent.

And, speaking of investigations and commissions, the same authority avers that "much information has been developed that could be used for campaign purposes, but little change had been made in administrative methods. The financial and accounting methods introduced in the Administration of President Washington were still in use." Indeed, from what I know of some of them they might antedate that period and have come to us direct and unchanged from the ark.

Speaks From Experience

I spent twenty-two years in Washington, seven of them in the Treasury, so can speak with some authoritative knowledge from within. I know how almost futile it is to fight the system from within. The old-timers, the devotees of things as they were, are more patient than any reformer can be, and they tire him out ultimately I've seen Cabinet chiefs come in fired with a high purpose and commendable zeal. They are going to "do" things. No one disobeys them or opposes them, but the things they want done remain undone, and the new ways are proved to be inoperative.

The system is widespread, subtle, albeit there is no leader, no headquarters. It just exists and feeds and thrives upon itself and is all-embracing.

We inherited a splendid form of government, a land beyond compare, and have a certain amount of native, natural, good horse sense, but we don't use it in matters governmental. The whole power of Government is in our hands, but we listen to the honeyed words of this and of that scheming professional politician and elect him and forthwith turn over to him and his kind the entire management of affairs. In no other land have the people the splendidly autocratic power we have by right but do not exercise, for we have abjectly abdicated it in toto into the hands of our deputies, and they have built up an autocracy that it will be hard indeed for us to break down, if we ever do wake up enough to want to have things as they should be.

We see thousands of laws made every year that only complicate and clutter the ways of general business. At times it seems indeed as if 'twould be better and cheaper and safer for us if Congress adjourned for five years.

The Men Counted

The reader may think of the wonderful work done by the railways under Government management during the war as an indication of what the Government can do. Granted. But remember that the general direction only was governmental, and that was in skillful hands, a man versed in transportation and not particularly keen about red tape rules and precedents. And the actual operation of railway detail remained in the railroaders' hands, who enjoyed, furthermore, the great blessing of having all the roads pooled, competition eliminated, and a dozen other burdens eliminated that the Government had been imposing and insisting upon for years!

Writing of Government burdens, think of the investigating it has done into all lines of business. Congress or the departments have overhauled the railways, insurance, the banks, and what not, and directed how companies in those lines must do their work, safeguard their stockholders, compete and toe the line generally. All very fine and proper. One of the true functions of government is to supervise and look after affairs generally, to keep everything straight. But, I submit, it should occasionally attend to the beam in its own eye as well as to be seeking the mote in the other fellow's in private business.

Now how may we go about attending to that beam matter? The Government by its investigations into private business suggests the very thing we ought to do to the Government. Individually we're not going to be able to do a very great deal toward bettering the condition I complain of, the making over of Government methods into more businesslike shape. But collectively we can do a mighty lot, and we have that very collective agency right at hand, already organized and splendidly efficient, our Chamber of Commerce of the United States.

Investigate the Government

The Government has done a power of investigating latterly. Now let us turn the tables a bit and investigate it. Turn about is fair play. Dozens of times the departments or Congress have started investigations into their own affairs, but seldom has any permanent good resulted.

To produce any effect at all the Government must go through a process of housecleaning, initiated and carried on from the outside. And the Chamber of Commerce is not a body that our bureaucrats can ignore or squelch with a freezeout. Let the Chamber start a thorough investigation, department by department, of our governing bodies with a view to the elimination of unbusinesslike methods, and the weeding out of unnecessary functions, and scraping off of speed-destroying barnacles. If it goes about the task with zeal and real public spirit it can do a really tremendous work in putting Government upon a decent, efficient business basis, one that will perform its duties a thousand times better than it is doing them to-day, and at a saving of millions and millions of our hard-earned dollars.

SHIRT COMPANY REPORTS

Manhattan Earns Surplus of $10.98 a Common Share

NEW YORK. — The Manhattan Shirt Company, in its report for the year ended November 30, 1918, shows a surplus after charges, taxes, &c., of $10.98 a share on the common stock, against $13.36 a share in previous year. Operating costs and Federal taxes were responsible for the decline in earnings. Interest charges also were somewhat higher than in 1917. The salient features of the income account follow:

	1918	Changes	
Net operating profit...	$1,071,781	Inc.	$ 91,058
Other income	4,995	Dec.	7,246
Total income	1,076,776	Dec.	83,821
Interest	50,732	Inc.	21,894
Federal taxes	365,000	Inc.	190,000
Balance	661,044	Dec.	128,082
Dividends	412,000	Inc	91,250
Surplus	249 044	Dec.	219,332

War to Peace

Article No. 15
Cut out for reference

Use the Employment Offices!

THE biggest problem that Canada has to face in the coming months is the problem of employment.

The cessation of war-work, the demobilization of the fighting forces jointly mean that almost half-a-million workers will have to be reabsorbed into our commercial and industrial life. They will have to find new forms of employment.

IT is in Canada's best interests to ensure that this resettlement and readjustment takes place as speedily, smoothly and efficiently as possible.

The Employment Offices which the Provincial Governments are establishing, with the co-operation and assistance of the Dominion Government, are therefore not an experiment, but a national necessity. They will prove to be just as great a national asset to Canada as they have been to other countries.

Canada's Employment Offices will be 64 in number—a complete nation-wide chain from coast to coast. They are being located in all centres of 10,000 people and over — and wherever the need for them exists. More than one-half are already in operation.

Through these Government Employment Offices, all persons in need of employment, both male and female, soldier and war-worker will be placed in touch with such positions as are available.

EVERY effort is being made to have these offices run according to uniform, business-like methods. Modern, up-to-date offices are being secured. The supervisor and interviewers in each office take care that an employer's particular needs are promptly filled. They endeavor to supply only such help as an employer can confidently take on—the right man for the right position. By doing this they effect an important economy of time and money for employers.

For the small employer of labor the Government Employment Office will serve as an employment manager. For the large concern which has its own employment manager, they will be of appreciable assistance.

Thus, from the standpoint of the service rendered, the Government Employment Offices will warrant the heartiest co-operation and support on the part of the employers of labor.

THE Dominion and Provincial Governments recognize that the whole success of the Employment Offices depends upon the degree to which employers give this co-operation and support.

Employers are therefore urged to do three important things:

(1) To seek first from the local Employment Office whatever class of help they may need.

(2) To fill out as completely as possible and mail promptly the postcard which will be sent each week to every concern of 25 or more employees showing (a) the payroll of the previous week; (b) changes in staff and the nature of the occupations.

(3) To refer complaints and dissatisfaction promptly to the Provincial Superintendent of Labor or to the local Employment Office.

FROM WAR TO PEACE

The Repatriation Committee
OTTAWA

Director of Repatriation

WAYAGAMACK CO. EARNINGS HIGHER; DEBTS WIPED OUT

Profits Increase From $966,349 to $1,057,741 During Year

10.88% ON COMMON

Working Capital Goes Up Nearly $900,000—In Stronger Position—Better Outlook For Export

The annual report of the Wayagamack Pulp & Paper Company for 1918 will occasion a feeling of relief, for in many respects the position of the company is seen to be much stronger than it has been in any previous year. There was some disquiet a year ago when it was stated that out of previous surplus totals there had been written off a sum of $347,216 as "adjustment of surplus from previous years," thus cutting the surplus in two. Although no definite explanation was given after the last report, THE FINANCIAL POST learned that this action was due in large measure to a determination that the paper valuation of the company should be represented by actual value in property, and that any failure in the past to allow enough for depreciation or writing off in the estimated value of timber limits should not occur again. At the same time this action raised a fear that the bottom might not have been reached.

Earnings Up $91,000

The present statement stands out, however, in a most encouraging manner. The earnings have increased in spite of transportation troubles, that were common to all pulp and paper mills in Canada early last year, from $966,349 to $1,057,742. The conservative policy that was emphasized in the "adjustment of surplus" last year has been continued, for the amount written off this year is $144,726 as compared with $82,383 one year before, and the small amount of $10,000 two years ago. Indeed, it is the last amount that permitted the percentage available for common dividends to show up better, apparently, in 1916 than in 1917 or 1918, for the balance worked out at 12.09% two years ago, compared with 10.28% in 1917, and 10.88% this past year. In connection with the surplus brought forward from the previous year, the total of 1916, $632,550, was cut down to $350,058 before it appeared in the 1917 column.

The surplus carried forward to the new year stands at $908,060, for out of the total was taken the sum of $500,000, which is explained in the directors' report as due to the following reasons:

Additions to Paper Mill

"The pulp mill is now completed, but it is possible it may be advantageous to make some future additions to the paper mill with the object of increasing the proportion of finished paper. With this and other possible improvements in view, it was considered expedient to set aside the sum of $500,000 to the credit of general reserve."

Following are the figures of profit and loss for the past three years:

Profit and Loss

	1918	1917	1916
Earnings	$1,057,742	$966,349	$ 979,362
Reduct:			
Deprec.	160,000	160,000	154,638
Bond int.	208,980	210,000	210,000
Written off	144,726	82,383	10,000
Bal. surplus	$ 544,036	$513,965	$ 604,724
P.C. on com.	10.88	10.28	12.09
Add prev. surp.	864,023	*350,058	632,550
Surplus forw'd.	$1,408,060	$864,023	$1,237,274
Less reser's etc.	500,000	....	540,000
	$ 908,060	$864,023	$ 697,274

*After deducting $347,216 as adjustment.

Gain in Working Capital

Not alone in the improved earnings, and in the evident determination to keep estimates down to a safe basis is the statement issued this week more favorable than in the past, but in the important department of working capital, the advance is most marked of all. Two years ago the working capital stood at $300,461; one year ago this showed a slight increase to $432,652, but this year there was an advance to $1,330,650, an increase in the year of $897,998. This is made up from both positive and negative sources. The cash on hand rose from $12,499 to $499,414, and accounts receivable were about $46,000 ahead. Two big items are missing from the liabilities this year that were in the current column in 1917, namely, bills payable of $312,840, and loans of $281,682, a total between them of nearly $600,000, although this was somewhat offset by an increase in the accounts payable of $82,000.

Even if the company had met a dividend on the common, spoken of lately as to be 6% in the near future, there would have been a good improvement in working capital, for allowing for $300,000 for dividends there would have still been a working surplus of nearly $600,000 in favor of 1918 over 1917.

The two years compare as follows:

	1918	1917
Liquid Assets		
Inventories	$1,173,710	$1,325,133
Accs. rec.	396,499	350,659
Cash	499,414	12,499
Bonds	9,651	13,278
	$2,079,274	$1,701,569
Current Liabilities		
Accs. pay.	$ 678,333	$ 596,120
Bills pay.	....	312,840
Loans	....	281,682
Acc. int.	70,291	78,175
	$ 748,624	$1,268,817
Bal. work. cap.	$1,330,650	$ 432,652
Gain over 1917	....	897,998
Gain over 1916	....	1,030,189

Cut Down Value of Limits

In the table of assets and liabilities the plant is set down as valued at $3,127,730 as against $3,075,177 last year, and the limit as worth $6,038,244 compared with $6,204,138, or $165,894 less this year, which is quite in keeping with the present policy of most of the pulp and paper companies, depreciating the limits for the lessened supply of wood left still to cut. In some cases this is disregarded, on the theory that the growth in the limits in the year may be taken, along with the increase in the value year by year of the wood, to offset the amount of timber actually cut off.

A footnote to the report states that there is a contingent liability of $244,500 for paper lost on the S.S. "M. P. Connolly,' but this is fully covered by insurance.

The president, C. R. Whitehead, in his report to the shareholders, states that a reduction in costs has been realized through a considerable sum spent in repairs and overhauling generally. He holds out the hope that the cessation of hostilities will mean better shipping facilities and increased opportunities for developing export trade.

LANDED BANKING

Slight Decline in Profits for the Year Shown in Statement.

While the profits of the Landed Banking and Loan Company reported for last year at $137,636, showed a decline as compared with $143,711 for 1917, the figure was only slightly below the record for 1916 and substantially above previous years. After appropriations for dividends, taxes and patriotic contributions, a sum of $50,000 was added to the reserve. This left a small deficit on the year's operations, the balance carried forward being $6,733 compared with $7,232 brought forward. Following are comparative figures:

	1918	1917	1916
Profits	$137,636	$143,711	$138,158
Premiums	....	....	3,164
Bal. forward	7,232	6,348	3,164
	$144,868	$150,059	$143,328
Dividends	$ 80,000	$ 80,000	$ 80,000
Taxes	2,951	2,856	2,709
Patriotic	800	1,000	800
War Taxes	4,384	3,971	3,561
Reserve	50,000	55,000	50,000
Balance	6,733	7,232	6,348
	$144,868	$150,059	$143,328

The following summary indicates the outstanding features of the company's earnings record for the past five years. Profits are shown after deduction of taxes.

Year	Paid-up Capital	Profit	Div.	% Profits Aver. Cap.	Ern. Rate
1918	$1,000,000	$130,301	8	13.3	7.1
1917	1,000,000	136,884	8	13.6	7.1
1916	1,000,000	131,934	8	13.2	7.8
1915	987,970	128,676	8	13.1	7.1
1914	978,500	120,139	8	12.6	7.6

Total assets, as shown by the balance sheet, were somewhat smaller at $3,527,773 compared with $3,794,472. Savings deposits, currency debentures and sterling debentures were lower, reducing the liabilities to the public from $1,917,240 to $1,601,040. Loans on first mortgages were about $200,000 lower and there was a decrease of about $46,000 in the amount of cash on hand. About $80,000 was invested in Victory Bonds during the year.

CONDITIONS IN MEXICO

An Improvement Noted Since Signing Of The Armistice

It will be of interest to Canadian investors with holdings in Mexico or securities representing propositions in that country to learn that an improvement in industrial and business conditions is indicated since the signing of the armistice and the practical ending of the war. L. H. Coley, manager for Mexico for the Ingersoll-Rand Corporation, reports:

> "There is some interference from lawless elements in the western districts, but not nearly so bad as for the last few years. Nearly all mines are being worked, especially those owned by large foreign companies. Ores are being accumulated, and the great smelters are being put in the best possible condition in anticipation of heavy business. The administration has decided that it is unprofitable for the mines to remain idle, as the taxes are needed by the Government, therefor, the railroads to the mines are kept in as good condition as possible, supplies are transported with but little delay, and they are doing what they can to further production."

DEVELOPING OUR RESOURCES TO ADVANTAGE

Continued from page 17

We should have a Canadian fleet, built, manned and owned by Canadians. Then we can be sure of sharing abundantly in the supplying of the world's markets. All of our transportation and harbor facilities will need to be looked to and kept adequate.

This export trade will be necessary to our national growth. During the war our export trade increased $600,000,000. This enabled us to pay our way and "keep the home fires burning." This increase was altogether for war supplies. The buying of these will soon cease, if it has not done so already. We must sell the requirements of peace to make up, or our pockets are going to feel empty and our industrial population idle. With proper direction this can be done.

A vast amount of employment can be given in the development and sale of these natural resources of ours. But if we would truly prosper and make the most of our natural advantages, we should, as soon as possible, see to it that the product of every farm, forest, mine and fishing ground of Canada is shipped from Canada in a manufactured state. We should so arrange that every dollar of wages necessary for the manufacture of these raw products of Canada is paid to a workman, who in turn spends his money in Canada and helps to make Canada prosperous. The wage earners of a foreign factory render no service to a Canadian butcher, baker, grocer or other retail dealer. The same advantage to us was aptly put another way by Sir John Willison in his recent address to the Canadian Club of Winnipeg:

Manufacture Raw Materials

"In an average dollar's worth of Canadian produce sold abroad there was, before the munition trade sprang up, probably 80 cents' worth of raw material and 20 cents' worth of labor, skill and art. In a dollar's worth of American produce there is probably 20 cents' worth of raw material and 80 cents' worth of the others. Canada sells rough stone for grindstones at $5 a ton and buys back foreign made grindstones at $100 a ton; sells wheat at 1.8 cents a pound when she could get 2.5 cents a pound for it as flour; sells a carload of pulpwood for a six gross carton of American tooth paste; sells a trainload of nickel matte from Sudbury for two cars of medium priced automobiles."

Does not this seem too much like selling a birthright for a mess of pottage? How much more money would be created and spent here if we ourselves manufactured our own raw products? What a vast industrial population we could support, and what an enormous advantage to our retail dealer!

We have the land. We have the resources. We need the money. We need to furnish employment for those who will come back from the fields of honor and sacrifice of France and Flanders; for those also whose work in munition plants is now obsolete, and for the women workers who have taken the soldier's place in industry and will want to remain in factory employment. We can furnish work to all these, and if proper development is encouraged we will then want to say to the desirable workmen of other countries: "Come over and help us. Be one of us." What we will want is people, and we will get them.

The war has given Canada the greatest immigration advertisement she ever had. Her name has been written large in imperishable glory by our soldiers overseas. People who never heard of Canada before, or who thought of us only as a small number of people in frozen wilds, now know of us in a way they will not forget. Canada now has a large and honorable name among the peoples of the earth. As a result of this I expect a tide of immigration after the war, or after the earlier reconstruction, that will be unprecedented in Canadian history. Let us study now, each and all, how best to get ready for what may be our greatest opportunity for future prosperity.

CANADA LANDED REFLECTS STATE OF LOAN MARKET

Debenture Rates Higher and the Market Still Restricted

EFFECT ON PROFITS

Net Earnings Have Naturally Shown a Contraction Under Circumstances, But Strong Position Maintained

A further slight increase in interest income and a continued increase in interest paid marked the year of the Canada Landed and National Investment Company as indicated by the annual statement. The tendencies referred to have been in evidence during the war period and represent, on the one hand, a higher standard of values for borrowed capital on debentures and a curtailed market for mortgage loans in Canada on the other. The latter phase of the situation has been emphasized by Government ventures in the loaning field which have had for their object a reduction of rates to the farmers with the cost a secondary consideration.

The interest collected amounted to $415,795 as compared with $417,266 in 1917 but showed a more marked decline compared with $436,867 for 1916 and a high record of $454,574 in 1915. Interest paid on debentures, despite the fact that there was a further small reduction in liabilities to the public, at $195,257 compared with $192,791 in 1917 and with $191,653 and $185,811 for 1916 and 1915 respectively. In 1914 interest paid amounted to only $182,071 although the sterling and currency debentures outstanding were over $400,000 greater than in 1918.

In addition to interest payments and dividends, cost of management and other charges were slightly higher at $27,729 and $20,522 respectively, although substantially lower for 1916 and some years previous. There was thus available the sum of $42,836 to be carried forward, increasing the balance available to $132,987. Following are comparative figures for the past three years:

Income	1918	1917	1916
Int collected	$415,795	$417,267	$436,867
Bal. forward	89,151	39,392	12,595
Total	$504,946	0456,659	$449,462
Distribution:—			
Int. paid	$195,258	$192,792	$191,653
Dividends	108,450	108,450	108,450
Management	47,729	46,693	48,184
Other disburse'ts	20,522	19,573	26,782
Reserve	.....	.....	35,000
Balance	132,987	89,151	39,392
	$504,946	$456,659	$449,462

The profits represented 12.6 per cent. on capital as compared with a 9 per cent. dividend paid. Following are features of the earnings record for the past six years:

Year	Gross Profits	Div.	% on Capital
1918	$415,795	9	12.6
1917	417,267	9	13.1
1916	436,867	9	14.2
1915	454,574	9	16.5
1914	443,907	9	18.9
1913	428,741	9	15.8

The Mortgage Situation

The company's assets showed a small contraction, from $6,470,342 to $6,422,606. This was reflected by a decline in sterling debentures outstanding from $3,542,847 to $3,481,327 and of currency debentures from $360,739 to $334,767.

Mortgage loans declined from $5,191,767 to $4,801,620, while investments in Government and other debentures increased from $736,162 to $973,568. There was an increase of over $46,000 in cash on hand, the total being $519,507.

Total resources of $775,493,531.25 are shown by the financial statement of the Guaranty Trust Company of New York City, as of December 31, which has just been issued. Deposits on that date totalled $583,786,091.46. Comparison of these figures with those of December 31, 1917, shows an increase of $114,748,235.21, in resources, and of $49,504,115.96 in deposits.

FORD PRICES

The policy of the Ford Motor Company of Canada, Limited, to sell its cars for the lowest possible price consistent with dependable quality is too well known to require comment. Therefore, because of present conditions there can be no change in the price of Ford Cars.

Ford

Runabout	$ 660
Touring	690
Coupe	875
Sedan	1075
Standard Chassis	625
One-Ton Truck Chassis	750

These Prices are F.O.B. Ford, Ontario

All prices subject to war tax charges, except truck and chassis

Ford Motor Company of Canada, Limited
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